PROMOTING THE GENERAL WELFARE: PUBLIC AND PRIVATE ANTIPOVERTY INITIATIVES

HEARING

BEFORE THE

SUBCOMMITTEE ON
AGING, FAMILY AND HUMAN SERVICES

OF THE

COMMITTEE ON
LABOR AND HUMAN RESOURCES
UNITED STATES SENATE

NINETY-SEVENTH CONGRESS

SECOND SESSION

ON

EXAMINATION OF THE ROLE WHICH VOLUNTARISM COULD PLAY IN THE REVITALIZATION OF THE WORK ETHIC

NOVEMBER 8, 1982—BIRMINGHAM, ALA.

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PROMOTING THE GENERAL WELFARE: PUBLIC AND PRIVATE ANTIPOVERTY INITIATIVES

MONDAY, NOVEMBER 8, 1982

U.S. SENATE,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
SUBCOMMITTEE ON AGING, FAMILY AND HUMAN SERVICES,
Birmingham, Ala.

The subcommittee met at 9:45 a.m., in Birmingham, Ala., Senator Jeremiah Denton (chairman of the subcommittee) presiding.

Present: Senator Denton.

OPENING STATEMENT OF SENATOR DENTON

Senator DENTON. The hearing of the Subcommittee on Aging, Family and Human Services will come to order.

I want to welcome everyone this morning and ask for your indulgence. I have a cold and my voice is even more hoarse than usual.

I want to begin by expressing my sense of pleasure at being in Birmingham. A hearing in Alabama is a lot more enjoyable than one in Washington. The faces are home folks and we have in common the love of our State and the many values which we share, and too many in the Washington area who show up at the conferences or hearings do not.

We have had the Assistant Secretary of the Embassy of the Soviet Embassy very often in our hearings, president of the ACLU, not to put them in exactly the same ballpark, but they are about as equally amicable as you can find. So it is a delight to be home.

I called this hearing on "Promoting The General Welfare: Private and Public Anti-Poverty Initiatives" in Birmingham because I believe it is not in Washington but here in Birmingham on the local level where we can really learn the real story of the success or failure of our efforts to help people out of poverty.

In whatever job we hold, it is easy to get caught up in the small immediate issues that we face day to day and forget to pause and take a good look at the overall picture of where our Nation is heading. We need to pause and recapture the overall perspective of the major problems that confront our society and how we have been dealing with them, and how far we have to go in solving them.

We need to remind ourselves that our Nation was built on the efforts of individuals working together in the common struggle for life, liberty, and the pursuit of happiness.

Those individuals were concerned with the well-being of all, and saw their civic duties as including assistance to less fortunate compatriots in times of hardship. I believe those same efforts and con-

cerns have motivated and shaped our citizens and our Government throughout our Nation's history.

The Bible tells us that the poor will always be with us. It also tells us, by the sweat of your brow, you shall eat your food.

As a compassionate society, we have always recognized the tragedy of not having enough to eat, of not having adequate clothing or shelter, and of not being able to afford necessary medical care. We have tried to insure that those necessities are available to our less fortunate citizens. Recently, however, that volunteer impulse of private citizens and private businesses has been somewhat stifled by misdirected though well-intentioned Government programs and policies.

We have come to place too much emphasis on governmental solutions to social problems. This misplaced emphasis contradicts, indeed subverts the essential purpose of our Federal Government which, as the founders of our country stated in the Constitution, is to provide for the common defense and to promote the general welfare.

The Constitution does not require us in Washington to seek to provide for the general welfare of all, nor does it allow us simply to promote the common defense. There has been a misplaced emphasis in which we now have neither an adequate common defense nor general welfare for all our citizens, including taxpaying citizens. The welfare of our people will be best provided by free enterprise, by the universal human drive for self-improvement, as manifested through the operation of business, professional, and industrial organizations in open and competitive systems. It is jobs, not handouts, that provide the general welfare of this Nation. It is business, not Government, that creates and maintains jobs. The Government cannot create and sustain truly productive jobs.

There is much political balderdash being tossed around, particularly before this last election, but the fact regarding unemployment, particularly in Birmingham and of the rest of the Nation, is that high interest rates are the cause. Businesses are in trouble because they have to pay too much money to borrow necessary money. And the reason for their paying those overly high interest rates is the Government borrowing too much of the pool of money available for borrowing. Why is the Government required to do that? Because they are overspending. They are spending more money than there is revenue. That is the real core of our problem.

We also have the problem of not having an efficient welfare system that can be made more efficient, and that is what we are going to be dealing with today. We cannot forget that with free enterprise we must have compassion, compassion for all.

Our system is indeed a product of free enterprise and compassion. Compassion moderates the selfishness that goes with enterprise. But enterprise makes it possible to be truly and effectively compassionate. In a way, enterprise is compassionate, free enterprise is. Because the ones who work the hardest, generally speaking, are the most effective and get the greatest reward. That is compassion in general. In specific, compassion also means we must take care of the exceptions, those who cannot care for themselves, and that is what Government interjects in its welfare system.

In the past when families and individuals faced a crisis and needed outside help for whatever purpose, such as rearing children, providing food or money or caring for disabled elderly persons, the people they turned to were most frequently close blood relatives, the so-called extended family. When American families became more mobile and relatives dispersed throughout the country, people and families in need came to turn to neighbors, churches, or local civic organizations for assistance. Those organizations became, in effect, the new extended family. These community groups would often band together and cooperate to help a troubled family or family members and could, with the advantage of familiarity with both the problem and potential sources of support, effectively assist in alleviating the crisis.

During the past two decades, however, Americans have witnessed a fundamental change in the way in which social services are provided. The Federal Government's attempt to build both an elaborate social welfare delivery system was, in part, a well-intentioned effort to augment local support systems and to provide services to needy people not otherwise served. But, as it turned out, many of those activities evolved into multi-layered, unwieldly, impersonal and ineffective bureaucracies more concerned with self-preservation and broad programmatic goals than with meeting the specific needs of families and individuals.

Some of the natural community support groups found themselves edged out, their roles diminished or subverted by a welfare department, a day care center or a food stamp office drawing sustenance from a seemingly endless stream of available Federal funds. Established with the best of intentions, many of those programs suffered from a common flaw. They are largely remedial in nature. They come into play only after a problem already exists and has caused damage. They address the symptoms, not the disease. Frequently, treating symptoms once a disease is full blown proves far more costly than it would have been to address the causes of the disease in the first place.

A man named George Gilder, an economist, wrote a book called "Wealth and Poverty." I am going to offer a couple of quotations from that book. He said:

> What actually happened since 1964 was a vast expansion of the welfare rolls that halted in its tracks an ongoing improvement in the lives of the poor, particularly blacks, and left behind—

And here I choose my words as carefully as I can, he says:

> Left behind a wreckage of broken lives and families worse than the aftermath of slavery. Although intact black families are doing better than ever, the discrimination has vastly diminished, the condition of poor blacks has radically worsened.
>
> From the time since the war on poverty was launched, the moral blight of dependency has been compounded and extended to future generations by a virtual plague of family dissolution.

Let us take a look at just whom this blight of poverty is affecting today. Of the poor families in the United States, 29 percent are black—that is nationwide—and 12 percent are Hispanic. In both cases, the percentage is vastly disproportionate to the actual percentage of the blacks and Hispanics represented in the population.

Another interesting fact is that one-half of all families below the poverty line are headed by women who have no husbands. The

Washington Post says, "Single parenthood contributes massively toward poverty and dependency on welfare."

1980 Census data show that although less than 10 percent of all the families in the United States were living in poverty in 1979, 40 percent of the female-headed households with children were living in poverty. It seems tragic to me that more than one-third of the poor are children under the age of 16.

We must carefully examine this country's antipoverty programs. During the last two decades, our country has attempted to turn poverty into plenty and has created a multimillion dollar welfare system. From 1968 to 1980, welfare outlays increased more than six times. We are spending six times as much in 1980 as we were in 1968 on welfare with a population that has grown only a few percentage points. Even after allowing for price inflation, welfare spending almost tripled for that period.

In 1980 alone, in just 1 year, Federal, State, and local expenditures for Federal welfare programs totaled $102.6 billion. You know, this country is going bankrupt. And as we go bankrupt, the poor will suffer first and suffer the most if we do not do something about turning this around. To point up the inefficiency in the present welfare programs, let us turn to Dr. Thomas Sowell of Stanford University, who is a black gentleman, a Ph. D. He pointed out that if we took one-third of the money we presently spend on poverty and gave that money directly to the poor, we would lift every poor person in the United States out of poverty. If one-third of the money we now spend on poverty were to go directly to the poor, no poor people would exist in the United States.

So what does that mean? That means that the Federal bureauracy that I was talking about is something through which must filter that money. And talk about trickle down, that is the trickle down. The bureaucracy is eating it up and yet it always claims to be understaffed. It always want to expand; it always has to have more studies and so forth. If that money was just given to the poor, which Mr. Reagan has tried to do, in part, through his federalism program—in other words, skip that big thing in the middle and give it to the Governors and mayors—we would have the problem much more efficiently addressed without having to reduce benefits. And we would be spending less money.

But there are those who persist in believing that rather than change the system, all we have to do is keep throwing more money at the problem. Some maintain that because the percentage of people in poverty has dropped from 22 percent in 1959 to 12 percent today, our war against poverty has been successful. But in the absence of any government assistance to those people, the incidence of poverty would be almost as high as it was in 1959.

Government programs have succeeded in giving poor people a handout, but those programs have not succeeded in giving them a hand up out of poverty. We are here today to discuss efforts to solve the problem of poverty, efforts by both the private and the governmental sectors. You know and I know that there are no easy answers, but there are alternatives to the business as usual approach we have been employing, which has not worked, and is carrying us to bankruptcy.

For 2 years now, the Reagan administration has been working toward several key objectives: first, reducing Federal expenditures and balancing the budget, which will mean less Government borrowing and lower interest rates.

Now, I can tell you, working on the Labor and Human Resources Committee, that that has been the least successful of President Reagan's initiatives in terms of getting the programs through Congress. He has gotten tax cuts through, generally speaking. He has gotten the business modernization incentives through. He has not gotten the cuts that he wanted through Congress.

Second, he has tried to target our limited program dollars more effectively toward those least able to care for themselves; and we are working on that day by day and week by week.

Third, the President has sought to return authority to State and local governments while reducing the burden of Federal regulation. There has been some progress in that—perhaps 15 percent of what the President would have had if he had his will. We did enact seven major proposals to provide antipoverty funds to the States in the form of block grants. But I must say, before going on, that the block granting was not nearly as comprehensive as the President desired. I would say 15 to 20 percent of what he wanted was put into effect.

The block grant approach allows State and local governments to decide how money can best be spent to meet the needs of their people. The blocks grants that we did enact included the social services block grant, the community services block grant, the maternal and child health block grant. The President recently signed into law a new job training bill to replace the flawed CETA program. The Job Training Partnership Act provides funds to the States for them and their local communities to develop their own individual job training programs. The creation of new programs does not allow the Federal Government to go off on its own, promulgating great quantities of rules and regulations. The Job Training Partnership Act requires that business and Government work hand in hand to develop realistic training programs that respond to the needs of individual communities, respectively.

I can tell you that the State and the city will do a lot better job in apportioning money if they make the decision than if the Federal Government does. There is an old saying, it is not a good thing to watch sausages being made or to watch laws being made. And having been new to the Senate and politics in general, it was a source of amazement to me when, after working for 6 or 7 months or more on a particular bill, we go into a House-Senate conference, work for 3 or 4 days, and then about 3 o'clock some morning when all of us are exhausted, we come up with this welfare program and decide in 5 minutes the formula by which we are going to distribute it among the States. It is never fair, it is never wise. It always requires multiple corrections later. It would always be better for the Governor or the mayor at the local level to develop its own concept for apportionment in that regard. They are accountable to the State voters.

There is no reason to believe that compassion is the monopoly of Washington, D.C. It does exist in Montgomery, and where it does

not, it can be required by the way votes come the next time around.

Another subject into which we will address today is the volunteer sector. There is a wealth of untapped human potential in this Nation. A 1979 Gallup poll found that 70 percent of all Americans are willing to participate in neighborhood improvement or social service activities. At the same time, it is estimated that only 25 percent of Americans do volunteer work. There is every reason to believe that if more of our people believed that their help is needed and are shown how they are able to contribute, they will become involved. Many of you here today are involved. This is one of the major goals of the ACTION Agency and of the President's Task Force on Private Sector Initiatives.

The real answers to helping the needy will never come from the Federal Government. In the long run, it is a question of popular will, a question of the value that each of us places on caring for those around us who need a helping hand. If the people of this Nation as individuals are not committed to helping others, no professional bureaucracy in the world will ever solve our problems.

I believe our society has the capacity and the compassion to return to the principle that charity and good works begin at home, not in Washington. This is not to say that I see that Washington does not have a place in this; they do. It has just been overemphasized. I believe that our Nation will be stronger, as well as more truly compassionate, when individuals, businesses, and religious organizations reassume the major role that they played and can again play in helping their fellow man.

On October 1 of this year, I introduced Senate Resolution 265, a resolution to designate 1983 as the "National Year of Volunteerism". I am very proud of the people of this State regarding the degree to which they have come forward as volunteers. I hope that the designation will call attention both to the successes of our volunteers and to the need for expansion of our private volunteer efforts. There are many possible answers to the problems of promoting the welfare of the people of this Nation. We have tried many and we have learned that those that emphasize Government interference on a large scale simply do not work.

We had laid the groundwork for defining alternative answers in the hearing that this subcommittee held in Montgomery over a year ago on the subject of "Fighting Poverty: Private Initiatives and Public Assistance." As part of our effort to find workable solutions, I hope that we can look today at our record of the last 2 years. I hope we can also learn where we might go from here to improve our public and private welfare systems. I do not pretend to have all the answers. And it is going to take a long time to get this system even reasonably efficient, but we have to start. We have to keep trying.

I am confident that those of you who work daily with the individuals who need help will give us the benefit of your ideas and experience about how our society can best address the problems and how we can improve on our approach.

We have several panels of witnesses, four in number. The first panel is made up of people who can discuss the issue from the perspective of State and local governments. As I call the names of

those on the first panel, I ask them to come forward and be seated at the witness table.

I have asked all but the first witness to limit opening remarks, oral remarks, to 5 minutes because we have such a large number of outstanding witnesses today.

On the first panel, Mrs. Baggiano, commissioner of pensions and securities; Mr. Mark Thornhill, executive director of the office of voluntary citizen participation; Mrs. Mary Roberts and Mrs. Betty Spiller of the Tuscaloosa Welfare Department.

Welcome, Mrs. Baggiano. Would you proceed to the podium and deliver your opening remarks, please?

STATEMENT OF FAYE S. BAGGIANO, COMMISSIONER, STATE DEPARTMENT OF PENSIONS AND SECURITY, MONTGOMERY, ALA.; MARK THORNHILL, EXECUTIVE DIRECTOR, OFFICE OF VOLUNTARY CITIZEN PARTICIPATION, STATE OF ALABAMA, MONTGOMERY, ALA.; MARY ROBERTS, COUNTY DIRECTOR, TUSCALOOSA COUNTY, ALA., ACCOMPANIED BY BETTY A. SPILLER, WELFARE SUPERVISOR, A PANEL

Mrs. BAGGIANO. Thank you, Senator Denton. I appreciate this opportunity to come before you and share some of our concerns about the welfare system and how it affects the clients in Alabama, as well as to try to give you some information on very small projects that we are working with across the State to address this issue of public and private initiatives to eliminate poverty.

The biggest problem in Alabama today, social and economic, is unemployment. It is difficult for educated people with working experience today to get a job in Alabama with the current state of the economy. We certainly have high expectations for our welfare recipients who do not have any education or the training to perform many of the positions that are available across the State. It has impacted our department very heavily.

We have 34 different welfare programs, and we serve 1 million Alabamians out of a population of a little less than 4 million. The only program we provide under these 34 that really provides services to unemployed families is food stamps. Our ADC program in Alabama is very, very limited. We provide ADC only to single parents with young children. We are seeing a slight difference in trends in this program; whereas 20 years ago an ADC mother had four children, today she has less than two. We consider that a positive development within the welfare system. We are also seeing those mothers staying off welfare a shorter length of time than they did 20 years ago.

The problems are that we have so many more of them in society. We know that our illegitimate birth rate across the United States is nearly 20 percent, and almost 90 percent of those children end up in the welfare system being taken care of by the taxpayer.

We work in the county departments to involve local communities to try to help us. We have a county board in all 67 counties that appoints our directors which gives them local input and provides less of the bureaucratic mechanism. They have more control over what is happening at their local level. And we have in the last couple of years asked a lot of those county boards and county com-

missioners to provide services in helping us with these people. So, they are able to see firsthand what we are talking about for the needs of the people of their State. They do respond very, very well.

Unemployment is terrible at those levels; we are working with it through the WIN program today. The employment rate here has now increased dramatically. We are not able to service all of the people in those WIN projects across the State. The people register, but the Employment Service cannot handle the volume of people that we have. Our counties themselves are working to try to find answers.

One of the discussions today will come from our county director and her assistant who are doing the workfare project in Tuscaloosa County. It has been very positive for us there. It has shown us that what has always been said about welfare recipients is stereotypes; that these are people who do not want to work and are not interested in working is not true in Alabama. In this program we have registered the people that have volunteered to do work.

Workfare in Alabama was enacted by the legislature a couple of years ago before the Federal Government would allow States to have such a program. We started the project in Tuscaloosa in April of this year. It has been positive for all of the people involved in it. The public and the private people that have helped Mrs. Roberts with setting the program up, encouraging the people to remain in it, and providing the jobs. It has not moved a lot of people in this 6-month period off welfare, but we really did not expect it to. Tuscaloosa County has about the State's highest unemployment rate, nearly 20 percent. We feel strongly that the program is showing us that people want to work, if given the opportunity to do so.

Most of our other programs benefit the disadvantaged, the elderly, the needy, the poor of this State. With 34 programs we have to train our people according to 34 different sets of requirements. Even the major programs like food stamps and ADC have different eligibility requirements. Our worker has to be responsible and knowledgeable of all the different directives in those programs to deal with administering them.

Just there, we see in Alabama, that we can save money, we can provide better services to the clients if we could go to a cash benefit program. It would cut down on administration tremendously.

Block grants have helped us a little bit. They have given us flexibility and some freedom to structure. The energy assistance block grant, for instance, has allowed us to structure this program specifically for Alabamians, thus providing a very positive experience for us.

Then you had Omnibus last year making good changes and bad changes. In our aid to dependent children program, the Federal changes increased our paperwork tenfold. Instead of clients coming in for a review twice a year, we now have to require a report every month. We have automated the ADC program in some of our counties, starting in October of this year, and hopefully we will automate across the State. Without computerization, we would have to increase our staff tremendously just to handle the paperwork. We could not have done that because of the lack of funds that were available for the ADC program and our agency.

So, while we are grateful for the flexibility of block grants, we would appreciate continued help from the Federal Government in restructuring the system so that we in Alabama could have more control over how we provide services to the people. Remember, this welfare department is not a total bureaucracy. We have 67 county governments and county boards and county directors involved. They can pull in the local support for our programs. They can encourage the people to understand what we are doing.

Last year, I think, we received more than 1 milllion dollars worth of volunteer time and contributions to the department. This year, we will receive over 2 million dollars' worth of volunteer time and contributions. We have encouraged our county directors to make voluntarism a priority. We have an individual at the State level who is recognized on a national level, Ms. Erin Snowden, for her work in voluntary services. We find that volunteers enhance our ability to deliver services.

Volunteers cannot replace our paid workers, but they add so many things that we could not do with continued cutbacks of Federal and State funding if we did not have them. We feel that we probably utilize them more than any other State agency. When surplus cheese was distributed in February and March of last year, for instance, we used 1,600 volunteers to augment our staff to get that cheese out to 650,000 food stamp recipients. That was a million pounds of cheese. We have 2 million pounds to be delivered this week and next week across the State, along with a quarter million pounds of butter. We will also be using volunteers to distribute that.

They do many things for our department. They transport children, they work in our offices, they do intake, they do clerical work where they can, they sit with children in hospitals, they work with the elderly in transportation and in providing services for them, delivering meals. Anything you can think of, we can use a volunteer to do it. We have a place for everyone who is interested, and we strongly support your initiative in that area.

We have in medicaid, because of the Tax Equity and Fiscal Responsibility Act, which is difficult to get all out in one mouthful, we have asked for a demonstration grant for copayment in the medicaid program. It has been at the Federal level for more than 90 days, and we have received no information on it. We've called different people at different levels, and no one can give us any real hope as to when we can implement that in Alabama. And we feel that by having the copayment for certain services, the people will stop and think before they use the medical service.

Now, we strongly support the medicaid program in Alabama at the social services level. We know that 20 years ago, before it existed, people in Alabama died for lack of medical care, but we do not believe that is happening today. But again, the only people who receive medicaid in Alabama are generally your young mothers with small children and your elderly, blind, and disabled. We run a very, very tight program.

One of the things we are looking to the future with besides our workfare program in Tuscaloosa is a new type of WIN demonstration project that we would have as a single State agency to find jobs for our clients—where they are indigent. We will work with

private employment services as well as the State employment service to implement that. We have a solo parent project that has been very successful for us in Loundes County. It was funded with a Federal grant from the Women's Bureau, and it focused on young ADC mothers who were high school dropouts between the ages of 16 and 22. What we have done there is to provide total case management services to them; we have done counseling and job training and provided supportive services such as day care. Over the course of the project, 90 percent of the participants had not become pregnant again, and 82 percent of them were placed on jobs. The job placements are particularly impressive in light of exceptionally high unemployment in the Selma area. The project illustrates what can be done with concentrated efforts and comprehensive services.

Another project that we have is working with Parents Anonymous, which is a volunteer group across the State. Our department is funding, for a very small amount of money, the hiring of a coordinator and the establishment of a hotline so that parents can call in when they feel that they are possibly going to abuse their child, or they already have, and talk to someone who is supportive.

Senator, we still have about 4,000 foster children in this State that the State supports through subsidy. We pay, of course, the foster parents as well as medicaid for the children. Again, 2 years ago, our legislature passed a law that allows us to provide adoption subsidies for hard to place children. These are children with mental or physical handicaps, and we can provide a monthly subsidy to the parents who take these children until such time as they feel that they can handle the cost of care themselves. Adoption takes the children out of the welfare system and places them in a stable environment. If the subsidy remains their entire life, they are still not eligible at that point for medicaid. They are covered by their parents' insurance. We have seen subsidies as very good and positive.

Subsidies allowed us to place a single group of 10 children with a family who had already adopted two. As a parent of several adopted children I strongly support getting these children out of the welfare system and into the private homes.

We do not have nearly enough children in this State to meet the needs of the parents who want them. We have waiting lists of thousands and thousands, and these are not people who only want babies, they want children. They want someone who will enrich their lives; they can contribute back to society by raising a child and loving it.

We have an intensive home care project where we have trained ADC mothers to provide homemaker services to the elderly and blind and disabled. Again, they are paid through funds from the department. We have a regular homemaker program across the State which is helping these elderly at home.

Working with the medicaid agency, Pensions and Security, Public Health Department, and the Commission on Aging, we are developing a waiver to ask that we be allowed to do more community based services through the medicaid program. And we will have group homes for the elderly. When we go into our nursing homes and look at the people who are there because they have no family and no place to go, we see a great need for some alternative

to long-term care. Many elderly and disabled people do not need the expensive care of nursing homes.

You are familiar with our State supplementation problem. This is a State program paid for out of State funds. Every State does not even have it, yet the Federal Government does not allow us to change the level of payments in that program. We did it 2 years ago and we are now asking our congressional delegation to support us in getting a law passed. I believe it is acceptable to everyone we have discussed it with up there. It would allow Alabama to structure this program in the way that we need in our State. If we do not do exactly what we are told by the Feds, we lose our medicaid funds, which would be over $300 million every year. So we see that as a major problem.

You all deserve a medal for organizing this type of hearing, for listening to what people in Alabama have to tell you about the needs of Alabamians. Because we are not like other States. We do support our own people here. We do provide a tremendous amount of volunteer services through our churches and our civic groups; even our youth groups in high schools get involved with things in Alabama. I do not think other States are exactly like that.

Last year when you held this hearing, we faced a lot of unknowns. We had some massive changes in all of our programs and we have weathered those and we are moving forward with them. They are forcing us to be administratively more aware of what we are doing as the funds are less and less available. It is quite easy to budget when you have an excess. It is very difficult to do it when you know that making a cut is affecting a life. But we have done it in Alabama, and we feel that we have not hurt the people we serve. All those decisions that we make here are to try to do a better job for people that need us in Alabama.

Our ADC program, for instance, has not had a raise since 1976. Our payments are 47th in the United States. Primarily because of Omnibus changes, we have terminated about 5,700 families this year. About 10,000 families have been terminated in the last 2 years. We would like to raise our ADC payments. If our State funds are available this year, we will raise payments later on this year.

We are optimistic about the future, and we are hopeful for the welfare system and for the country. We are supportive of you and the Congress and the President in the efforts that you are trying to make to find some answers. We feel that a healthy economy is our best hope of prosperity, our first goal in this long hard fight against poverty.

Thank you.

[The prepared statement of Mrs. Baggiano follows:]

TESTIMONY OF

FAYE S. BAGGIANO

COMMISSIONER, STATE DEPARTMENT OF PENSIONS AND SECURITY

and

ACTING COMMISSIONER, ALABAMA MEDICAID AGENCY

Before the

UNITED STATES SENATE SUBCOMMITTEE ON AGING, FAMILY AND HUMAN SERVICES

Birmingham, Alabama

November 8, 1982

Thank you, Senator Denton, for the opportunity to address the subject of public and private initiatives to eliminate poverty. We gather at a time when unemployment is placing a heavier and heavier burden on our state's dwindling resources. With an unemployment rate above 14 percent, with more than 240,000 Alabamians out of work, our jobless rate remains second in the nation.

Workers in county offices of the Department of Pensions and Security see every day the frightening consequences of unemployment. Alabama's Aid to Dependent Children program offers no assistance to families in need because of unemployment alone. Food stamps are the only monetary aid we can offer most unemployed families. Despite stricter requirements for eligibility enacted last year, we have not seen an appreciable decrease in the number of families receiving food stamps. Some recipients were dropped from the program due to the new requirements, but their numbers are replaced every month by the newly unemployed who move into the program.

Unemployment is showing serious side effects beyond the monetary needs of the jobless. Our social workers are seeing more child abuse and neglect and more neglect and abuse of the elderly. They report instances of fathers who have left home or plan to leave so that their families can benefit from an ADC grant averaging little more than $100 a month. Unemployment is threatening the family unit at a

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time when family disintegration has already been identified as a most serious problem for our nation. We must name unemployment, at this time in our state's history, as our number one economic problem and our number one social problem.

Suggestions for the Future

Our system of public welfare consists of a complex array of programs and services, many of which bear little relationship to each other. Despite the consolidation offered by block grants, we still use separate laws, separate funds of money, separate systems of administration, to address separate needs.

Neither the state nor the nation can allocate more resources for public assistance, although the need is abundant. Surely, however, we can use available resources more efficiently. One suggestion worth careful consideration is the merger of the various forms of monetary assistance--such as food stamps, ADC and energy assistance--into one cash payment. Such a consolidation would eliminate two bureaucracies and recognize the fact that a poor family's needs are, first of all, for money to meet the needs. A merger of these programs would require a phase-in period and federal establishment of maximum and minimum payments. Strong work requirements, with first emphasis on private employment, would have to be built into the system. An increase in a family's allowable reserve--now $1,500 in most instances for food stamps and $1,000 for ADC--would also improve the system, so that a family would not have to be destitute to qualify for help.

In redesigning our programs, we will have to answer hard questions that have been raised many times but never squarely faced. Should we provide assistance to families with two able-bodied parents? Should we limit assistance to a specific time period? Would that reduce any tendency for a family to "grow up" on welfare? Is there any practical or moral basis for the highly controversial suggestion to limit assistance to only one or two illegitimate children? The federal government, states and localities have a responsibility to examine thoroughly all these issues, and more.

Omnibus Reconciliation Act of 1981

More than a year ago, Congress passed the Omnibus Reconciliation Act of 1981. Twelve months after implementation of many of its provisions, we have seen its impact on Alabama. In many ways, we are pleased with the results of the law. We view as needed, for instance, many of the changes in the food stamp program, such as more restrictive eligibility for strikers and elimination of eligibility for boarders. The flexibility offered by block grants has allowed our state to plan programs based on our own determination of needs.

The Department of Pensions and Security administers two of the block grants to the state--those for energy assistance and social services. In planning for use of funds, we work with the Interagency Council on Block Grants, established last year by Executive Order of the Governor. The block grant approach has definitely improved the state's energy assistance

program, which offers crisis, weatherization and direct-payment assistance to low income families. This past summer, for the first time, we provided limited cooling assistance to meet emergency needs, with the result that many county offices were able to buy fans for vulnerable elderly people.

With the change to block grants, Alabama's federal funds for social services through Title XX decreased last year by almost $10 million. To offset a small part of that reduction, we opted to transfer 10 percent of the energy assistance block grant to the social services block grant. The block grant for social services has offered the state a wider range of choices in designing programs. Some of the massive and unnecessary reporting requirements have also been eliminated.

Despite welcome flexibility, the funding reduction has seriously impaired Alabama's ability to maintain an adequate level of social services. In keeping with legal mandates, we have placed number one priority on protective services for children and adults in danger of abuse and neglect. Nonetheless, we have real concern over our increasing inability to respond to reports immediately on receiving them. In many counties, we have serious staffing deficiencies in protective services.

In the Aid to Dependent Children program, Alabama has very strongly felt the impact of the Omnibus Reconciliation Act of 1981. More than 5,700 families were dropped from assistance last year because of mandated changes in ADC. In the last two years, more than 10,000 families have been eliminated from the ADC program. As evidence of the recession

and unemployment, the number of applications for ADC has gone up, but so has the number of denials for assistance.

The requirement to count stepparent income has had the greatest impact on the ADC caseload. More than 2,600 cases were terminated because of this one policy. More than 600 cases were terminated because of the new income cap and more than 500 because of the new monthly reporting requirement. This rule--the requirement that ADC recipients make a monthly report of their circumstances--has increased paperwork tenfold. Automation has enabled us to meet the requirement, but it is questionable as to whether monthly reporting offers an improvement over the semi-annual reviews already in place.

We had particular concern, in Alabama, for the new requirement limiting the income disregard to four months. Prior to the implementation of the Omnibus Reconciliation Act of 1981, the income disregard--a deduction of the first $30 of earnings plus one-third of the remainder--applied indefinitely. Since it was viewed as one of the few work incentives in the ADC program, many knowledgable people questioned the new limitation placed on the income disregard. Several studies suggest that tighter restrictions make it more advantageous for recipients to quit work, thereby retaining not only ADC but also Medicaid for their families.

Alabama's ADC payments are low, ranking 47th in the nation. In this state, the average family loses benefits when earnings reach about $120 a month. Unfortunately, the Department of Pensions and Security was unable to make a follow-up survey of

the 400 families who lost benefits as a result of the new income disregard provisions. We do not know whether these families are still in the labor force or back in the welfare system.

Tax Equity and Fiscal Responsibility Act

The Tax Equity and Fiscal Responsibility Act of 1982 also holds promise of providing additional flexibility to the states. For one example, it indicates federal recognition of a need for co-payment by the patient for certain mandatory Medicaid services. At the same time, this co-payment provision is burdened with several restrictions which make implementation unwieldy. The Alabama Medicaid Agency has had a demonstration project application in federal hands for more than three months. If approved, the project would allow Alabama to impose a viable co-payment of selected portions of the Medicaid program. We certainly hope this project will be favorably considered.

Work Programs

Last April the Department of Pensions and Security implemented a Community Work Experience Program in one county, Tuscaloosa. Lack of funding has, thus far, prevented expansion of that program to other counties, but we are gratified with the results in Tuscaloosa. More than 220 recipients have been placed in public or non-profit employment. The program, in essence, requires recipients to work in exchange for the ADC check. The workfare program in Tuscaloosa County owes its success to the commitment of the Department of Pensions and

Security and the Employment Service in that county, as well as to acceptance by the community and clients.

Although it is a popular concept, workfare is questionable as a tool for removing recipients from the rolls and into jobs. In Tuscaloosa County, since April, only eight of more than 300 recipients registered for workfare have left the welfare system for employment, but that small number is partially explained by the county's high unemployment rate. The program has clearly identified recipients as wanting to work, and it has provided work experience to people who had none before. Workfare has also benefited recipients who had job skills but never had a chance to use them.

As administrators and public officials, we still have a long way to go in implementing successful work programs. In these times, when jobs are not available for highly skilled workers with years in the labor force, we cannot expect overwhelming success in finding permanent jobs for unskilled, uneducated young mothers. The Department of Pensions and Security plans very soon to submit a proposal to the federal government for one of the new WIN Demonstration programs authorized by Congress. We view this concept as better than the WIN program as now structured for several reasons--administration by a single state agency, authority to contract with a variety of placement agencies, and the incentives offered by grant diversion. Studies of WIN Demonstration programs in other states have shown local commitment and local

support as common factors necessary for success. Our own experience in Tuscaloosa County adds credence to those study results. When we submit our proposal to the federal government, we plan to offer a decentralized approach of program development at the county level.

Projects Benefiting Families, Children and Adults

A year and a half ago, the Department of Pensions and Security initiated a small project to try to prevent unplanned pregnancies through family planning and counseling. The project is limited to Dallas and Lowndes counties. Funded with a federal grant from the Women's Bureau, this Solo Parent Project has focused on young ADC mothers, all high school dropouts with no work experience, between the ages of 16 and 22. Reaching only 78 participants, the program has shown remarkable results in controlling the problem of teenage pregnancy and in placing young mothers into jobs. The program has addressed a large array of needs--vocational training, supportive services such as day care and legal aid, job placement and instruction in child rearing. Over the course of the project, 90 percent of the participants have not become pregnant, and 82 percent have been placed on jobs. The job placements--representing average wages of $7,150 a year--are particularly impressive in light of exceptionally high unemployment in the Selma area. The project holds great potential for paying for itself over the course of one year's employment. It illustrates what can be done with a concentrated effort offering comprehensive services.

The Solo Parent Project is one of several small programs in which the Department of Pensions and Security takes great pride. In recognition of our responsibility to children, families, the elderly and the disabled, we have, wherever possible, sought innovative solutions to problems faced by these groups. One new service offers parenting education in seven counties. The project provides classroom instruction in such areas as child rearing, home management and nutrition, with in-the-home reinforcement by parenting aides. Over the past year, the parenting education project has reached more than 300 families identified as needing protective services. Many of the 800 children in these families would no longer be living in their own homes had this service been unavailable. The combination of classes and assistance at home teaches parents how to care for their children.

Last year, the Department of Pensions and Security received more than 19,000 reports of child abuse and neglect. We have sought to increase community interest in these problems, and we have strongly supported the efforts of Parents Anonymous to build more chapters. This support group for parents now has chapters in seven counties, with interest growing in additional counties to establish chapters. In recognition of Parents Anonymous as a valuable resource, the Department of Pensions and Security has awarded a one-time grant of $32,500 to the organization. Parents Anonymous will use these federal funds to employ a coordinator and install a hotline for calls from parents anywhere in the state.

Since 1977, Alabama has had an Adult Protective Services Act directed toward elderly and disabled people in danger of abuse, neglect or exploitation. The Department of Pensions and Security receives and investigates reports, which number about 200 a month statewide. Homemaker services, foster care and day care are among the services provided to adults in danger of abuse and neglect. In a few counties, a program called Intensive Home Care provides a unique service for elderly and disabled people who would have to be institutionalized without it. Through this program, the Department of Pensions and Security has hired and trained ADC recipients to care for adults so disabled as to qualify for nursing home care paid for by Medicaid. The program has been triply successful--in bringing ADC recipients into the work force, in keeping elderly people in their own homes and in saving money for the Medicaid program. In working with elderly and disabled people, our aim is always to keep adults, if at all possible, in the familiar surroundings of home and community. Nursing home care is always expensive and many times inappropriate. The Department of Pensions and Security is working with a team of agencies to explore alternative methods of care--such as group homes and domiciliary care--for elderly people who cannot live in their own homes. Development of such alternatives could possibly be enhanced through a Medicaid waiver allowing payments for methods of care less expensive than nursing homes.

Volunteers

Volunteers are integral to the service delivery system of the Department of Pensions and Security. Earlier this year, more than 1,600 volunteers across the state helped in the distribution of surplus cheese from the federal government. Volunteers will help when we again distribute surplus foods to low income families in coming weeks.

Examples of imaginative uses of volunteer talents abound. Volunteers prepare life books for foster children in Calhoun County. They give haircuts to children in a youth shelter in Clarke County. Doctors, dentists, lawyers, nurses and psychiatrists, in several counties, have provided their services, free, to clients needing them. In Bullock County, volunteers have provided foster parent training. In Tallapoosa County, they have sat with children in the hospital. In many counties, volunteers provide clerical assistance and assist social workers in their work with families, children and elderly people.

Volunteers cannot replace paid staff, but they can and do enhance and improve services. Our volunteers are valued members of the social service team. Volunteers, this year, are expected to contribute more than $2 million in free service to the Department of Pensions and Security.

State Supplementation

We have heard much, over the past year, about New Federalism and its potential for giving more freedom to the states in designing programs. The concept, for its underlying philosophy

of letting people closest to the problems work out solutions, is a good one. Nonetheless, we are concerned, in Alabama, with the federal government's continued regulation of state affairs. For example, you are familiar with problems in Alabama's supplementation program for the aged, blind and disabled. This is a program funded completely by the state, yet the federal government controls administration through regulations governing funding for Medicaid.

More than a year ago, in the midst of a serious budget crisis, Alabama reduced expenditures for supplementation to the level that prevailed in 1976-77. For that action, the state is now threatened with a cut-off of federal funds for Medicaid next year.

Members of your staff and of all the Alabama Congressional Delegation have supported Alabama's effort to amend federal law to correct this problem. We especially appreciate your intervention, in our behalf, with the Secretary of Health and Human Services. Because of your help, we have been given time to seek legislative remedy. More than $300 million in funding for Medicaid is at stake. Several months ago, at our meeting in Washington, you expressed your concern for this problem. Because of its tremendous importance, I wonder if you might provide some information today on progress in assisting Alabama.

In Conclusion

You and your staff, Senator Denton, deserve commendation for organizing this hearing. Your solicitation of ideas from Alabamians in Alabama indicates a sincere commitment to your

state. Last year, when you held hearings, we faced many unknowns as to how Congress would change the nation's public welfare system. Since that time, we have seen many changes in our programs, and we are proud of our accomplishments in implementing so many in so short a time. We are also pleased with our success in meeting the challenge of maintaining needed services with fewer federal dollars. Our Medicaid program has one of the lowest administrative costs in the country and we are striving to keep costs low. In the ADC program, we have seen thousands of families terminated from assistance, but the resulting reduction in expenditures allows us to look toward a small raise in payments sometime later this year. That raise, if it materializes, will be very welcome, as payments have not been increased in Alabama since 1976.

We are optimistic about the future, hopeful that our jobless will go back to work. We are supportive of the President and the Congress in efforts to bring our country out of this recession. A healthy economy is our best hope for prosperity, our first goal in this long, hard fight against poverty.

QUESTIONS FOR MRS. BAGGIANO

1. THANK YOU, MRS. BAGGIANO, FOR THAT VERY IMPRESSIVE STATEMENT.

YOU ASKED FOR SOME INFORMATION ON THE PROGRESS WE ARE MAKING IN ASSISTING ALABAMA WITH ITS MEDICAID PROBLEM. AS YOU KNOW, SECRETARY SCHWEIKER HAS AGREED TO GRANT ALABAMA ANOTHER YEAR TO RESOLVE ITS PROBLEM. HE HAS ALSO SAID THAT SHE WILL ACCEPT LEGISLATION THAT CORRECTS ALABAMA'S PROBLEM EVEN THOUGH HE WON'T PUSH FOR IT.

NOW IT'S JUST A MATTER OF FINDING THE APPROPRIATE LEGISLATIVE VEHICLE FOR THE CHANGE AND THEN PERSUADING MEMBERS OF THE FINANCE COMMITTEE AND THE APPROPRIATIONS COMMITTEE OF THE NEED FOR CORRECTIVE LEGISLATION. I AM READY TO INTRODUCE THE AMENDMENT JUST AS SOON AS WE CAN TAKE CARE OF THESE PROBLEMS.

2. IN YOUR STATEMENT, YOU SUGGEST THAT WE CAN RESOLVE MUCH OR OUR SO-CALLED "WELFARE" PROBLEM WITHOUT SPENDING MORE TAX DOLLARS, JUST BY SPENDING THE ONES WE HAVE MORE EFFICIENTLY. YOU SUGGEST THAT WE MIGHT MERGE AFDC, FOOD STAMPS AND LOW INCOME ENERGY ASSISTANCE, FOR EXAMPLE, INTO A SINGLE CASH PAYMENT. AT THE SAME TIME WE WOULD ESTABLISH AT THE FEDERAL LEVEL MINIMUM AND MAXIMUM PAYMENTS AND DEVELOP STRONG WORK REQUIREMENTS AS A CONDITION FOR RECEIPT OF THESE PAYMENTS.

- o I BELIEVE THAT IS A VERY SENSIBLE PROPOSAL. ISN'T IT VERY SIMILAR TO PRESIDENT REAGAN'S NEW FEDERALISM INITIATIVE?
- o WHAT DO YOU BELIEVE ARE THE CHANCES OF REVIVING NEW FEDERALISM?
- o DO YOU HAVE ANY IDEAS AS TO WHY THE PROPOSAL HAS MET WITH SUCH RESISTANCE FROM SOME GOVERNORS?

MRS. BAGGIANO, YOU MENTION SOME OF THE SOCIAL SERVICES WHICH HAVE BEEN PARTICULARLY ADVERSELY AFFECTED BY FUNDING REDUCTIONS. YOU COMMENT MOST EXTENSIVELY ON THE AFDC PROGRAM.

WE WILL BE HEARING LATER TODAY FROM SEVERAL WITNESSES FROM THE PRIVATE SECTOR WHO ARE INVOLVED IN PROVIDING SERVICES TO NEEDY INDIVIDUALS.

- HAS THE STATE OF ALABAMA MADE ANY EFFORT TO IDENTIFY THE MOST CRUCIAL ACTIVITIES IT IS NO LONGER ABLE TO SUPPORT, AND THEN SIT DOWN WITH REPRESENTATIVES OF THE PRIVATE SECTOR--CHURCHES AND CHARITABLE ORGANIZATIONS--TO TRY TO RECRUIT PRIVATE AID TO SUPPLY NEEDS WHERE THE STATE LEAVES OFF?

- I AM VERY INTERESTED IN THE SOLO PARENT PROJECT YOU MENTIONED. WHAT HAVE YOU DONE TO BRING DOWN THE RATE OF PREGNANCY AMONG TEENAGERS PARTICIPATING IN THE PROGRAM?
- ARE THE JOBS THAT YOU FIND FOR THE TEENAGERS PUBLIC OR PRIVATE SECTOR?
- IS THIS A PROJECT YOU BELIEVE CAN BE SUCCESSFULLY REPLICATED ELSEWHERE IN THE COUNTRY?

I AM VERY IMPRESSED BY YOUR PROGRAM TO HIRE AFDC RECIPIENTS AND VOLUNTEERS TO CARE FOR DISABLED ADULTS WHO QUALIFY FOR NURSING HOME CARE PAID FOR BY MEDICAID.

- HOW MANY ELDERLY AND DISABLED ARE YOU ABLE TO KEEP OUT OF NURSING HOMES AS A RESULT OF THIS PROGRAM?

- HOW MANY AFDC RECIPIENTS DO YOU HIRE FOR THIS PROGRAM?

- DO YOU PAY THE AFDC RECIPIENTS THROUGH MEDICAID OR THROUGH AFDC?

I AM VERY INTERESTED IN YOUR EFFORTS TO PROVIDE ALTERNATIVES TO NURSING HOME CARE FOR MEDICAID RECIPIENTS. I HOPE YOU WILL KEEP US APPRISED OF YOUR EFFORTS IN THAT FIELD.

Senator DENTON. Would you stay up at the mike, Mrs. Baggiano. Thank you very much for that impressive and informative statement. We admire very much what you are doing down here. We are aware of the special voluntary spirit in Alabama.

As you know, and as you may have mentioned in your oral testimony, I notice it in your written testimony, that we did succeed in persuading Secretary Schweiker to agree to grant Alabama another year to resolve that problem. And he said that he will accept legislation that corrects Alabama's problem even though he will not push for it. We are now trying to find an appropriate legislative vehicle for the change and we must also persuade members of the Finance Committee and Appropriations Committee of the need for corrective legislation. And I am ready to introduce your amendment as soon as we can take care of these problems.

It sounds as though you realize that we can come up with job training programs left and right but if there are no jobs the programs do not settle the problem. I find myself in a position of having to recommend that we give more money to our employment offices, yet really money was not the problem. There simply were not the jobs there.

It was impossible for me not to go along with that, but I really do not feel, in retrospect that it was a very smart vote. You have to have the jobs and the jobs have to be supported by the private sector. The private sector has had now the benefit of the tax breaks which put our industry in a more competitive position than they would otherwise have been in with respect to the industries of Western Europe and Japan, who by virtue of the Marshall Plan and other programs sponsored by the United States modernized their industrial plants in the forties, fifties, sixties, and seventies. In the United States, as you look around Birmingham and Pittsburgh, we are sitting around with plants built in the twenties. So that much has been done. But we have not yet gotten the Government enough out of borrowing to bring interest rates down to the point where business can thrive and there will be jobs available. That is starting to happen. We are down to about half of what the interest rates were. Inflation rates are down to a fraction. Housing is starting to come out. I am, too, optimistic about the future. I was very happy to work with Governor Fob James, and I look forward to working with Governor Wallace on all of these problems which you have enumerated and analyzed extremely well.

You suggest that we can resolve many of our so-called welfare problems without spending any more tax dollars, with which I agree. That would be done only if we spend the dollars we have more efficiently, and you suggest specifically that we might merge AFDC, food stamps, and low income energy assistance into a single cash payment. You then say that you would establish Federal minimum and maximum payments and develop strong work requirements as a condition for receipt of these payments.

I remember having been told that President Nixon came up with an idea which would merge a number of welfare programs into a single cash payment, and it did not float. President Reagan has tried to approach that kind of solution for improvement with his New Federalism initiatives.

In view of the inability of the President to get much through Congress—for example, that big swap involving AFDC, food stamps, medicaid—what do you think are the chances of reviving the New Federalism idea, or do you have an opinion on that?

Mrs. BAGGIANO. Your statement about the economy, the national debt, where we are sitting in the country today, that we are practically bankrupt, if those programs can provide the services to the people that need them and they can be done at the local level for less money, then they need to be done.

Now, I cannot deal with you all up there. You all make that decision. And I know how difficult it is in a governing body to agree on things like that. They are all very difficult. No one ever wants to have a benefit taken away that has been given. And it is scary to the people we serve to think in terms of not having food stamps in their hands or not getting an ADC check.

But the way that we are doing that today is costing us so much money, that so much of it is going into the pockets of staff instead of into the hands of the people who need it to survive. And as I said, in Alabama this has never been so apparent as it is today when we have families where the breadwinner is unemployed and they do not have enough money to live on. The only thing we give them in Alabama is food stamps. And that does not keep them alive.

Food stamps, as you know, is a very expensive program just to administer. You have got to print them on the currency money, practically the same type of paper. They have got to be transported in armored cars. They have got to have armed guards in the offices to watch them. You have got to have special accountability to dispense one check. Administratively I think it would be much better—I think one of the criticisms there is that you are fostering people that can take that money then and gamble it or waste it. But we really do not believe that that will happen.

Senator DENTON. Well, they swap food stamps around anyway; do they not? I mean, that can be done almost like money; can it not?

Mrs. BAGGIANO. Yes.

Senator DENTON. How much flexibility do you have here in Alabama to switch funds from one block grant to another? I notice you mentioned switching 10 percent in your written statement from, I think it was, emergency fuel.

Mrs. BAGGIANO. Energy assistance.

Senator DENTON. Energy to community services or social services, how would you describe the flexibility you now have?

Mrs. BAGGIANO. Social services was cut dramatically last year. We took 10 percent of our energy assistance grant and transferred it, 10 or 15 percent last year, I am not sure which figure it is, and transferred it into social services to try to continue to provide services and to make up for the funding reduction a little bit. We have used only 4 percent of our administrative cost, and we were allowed 10 to 15 percent for administration in that block grant. We tried to do it using our alternating systems so that we did not have to put a lot more staff into it. That way we were able to keep our administrative costs down and still get out the maximum amount

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of money to the recipients. And we have a lot of flexibility in that particular block grant for administration.

Senator DENTON. How would you elaborate on the strong work requirements you were recommending?

Mrs. BAGGIANO. That anyone who is capable of working should be working.

Now, as you hear about our workfare program in Tuscaloosa, I think that will come home to you a little bit better. We have people perhaps who have had training before that never had to be at a job, showing up for work and they are learning how to dress and just the simple basic things that you cannot hold a job without, knowing how to be on time—not job training in a specific job, but just the basics. So many of the people we deal with do not even have that.

But this is pride, Senator. By establishing a work requirement, you establish pride. And that is the first step towards self-sufficiency.

Senator DENTON. The question of unemployment compensation insurance, I recognize, does not fall under your jurisdiction in the department of pensions and securities, but you must have kind of a perspective on the overall income situation to those who are unemployed.

I read that booklet published by the Alabama Unemployment Compensation Agency entitled "Your Benefit Rights and Responsibilities." The booklet contains explanations of benefits for applicants and explains that applicants are required to show up for work each week that they are able and available for work. The booklet says, and I quote, "Apply for work you are willing and qualified to take in areas where you are willing to work." And another quote, "Contact as many employers as you can without sacrificing quality in your contacts."

Do you have any feeling as to whether or not those directives are statutory—I mean, do you know whether they are statutory, are they regulatory, or are they merely interpretations of the Alabama unemployment compensation laws?

Mrs. BAGGIANO. I believe they are interpretations of it. You know our benefits are very low, maximum of $90 a week. I believe the extended benefits have kept a lot of families together in this State. Because again, remember, if the father leaves, then the mother is eligible for all of the welfare programs, including medicaid.

So by providing that small amount of money through unemployment, it does keep some of these families together.

Now, I know there are again stereotypes, a number of people who could be working just will not accept the jobs that are available. I really believe in Alabama that if most people are offered a job, that they do take it unless it is just so far afield of what their knowledge is that they cannot handle it at all. But I do not think you have a tremendous amount of abuse of the unemployment system here.

I do not know a whole lot about this. I can only deal with the people that we work with daily.

Senator DENTON. So, with the workfare experience you have had, you have reached a conclusion that most people want to work if they can?

Mrs. BAGGIANO. I think we really believe that. We have been so pleased with this project. In other States, it has been unsuccessful and fallen on its face. But with the little bit we have been able to do in Alabama, it has been very positive.

Senator DENTON. Frankly, as your Senator, most of the comments I have had with the people on that committee have been relatively critical of workfare approach. I am not in a position to judge, but I accept your judgment with respect to the program as it is practiced in Alabama.

Perhaps our nature is a little bit different from those in other States, certainly we have more volunteers. And you then would not foresee any problem with imposing some kind of wording on work requirements that would suffice?

Mrs. BAGGIANO. Except the only problem that ever comes up, it does take some administrative money to run this program. Our department has kind of hitched up our belt and done this.

Industrial relations has not been able to expand with us into other counties. We had plans to expand into other counties, and right now they do not have the funding to do it because they do have to hire people to handle the job.

We have submitted one demonstration project, if it is approved, and we expect it to be a component of the workfare, and that will be at the very bottom of it, the people have not been able to find private jobs. And we see that as a mean of our vehicle for funding it.

Senator DENTON. We do get conflicting reports, as to how much the work ethic may have been eroded in various parts of the country or in the country overall. I do not want to make any generalizations about that. I too, believe that most people will work. I also know that as jobs become unavailable in one sector, some people are going to have to move from that sector into another sector. It may be that the Government should come up, and this is a relatively neoliberal idea, with a means of transporting people. The textile industry in New England moving in virtually to the South is an example.

Maybe we should think about moving people if it looks like there is no way to recreate the jobs. The whole industry just falls off because of the competition. You might have to expect people will take some other job than the kind that they had before, maybe even at lower pay. The Government cannot just keep coughing up the money as conditions change. It never has before; people just have to get off their you know whats and get a job.

I do not mean to knock the poor or anything like that. This is the kind of story you get now from California and New Mexico, Arizona, Texas. Some people do not want us to pass laws against illegal immigrants coming in.

The hotel people do not and the farmers do not because they have jobs at minimum wage or higher which are going begging except for those immigrants. They will come across in 5,000 or 100,000 and they all get jobs. There is no big unemployment problem in many places. And in the same State, even in Alabama I

have heard, there are farm jobs going begging because when there is a temporary need, a 2-month need for, say, harvest, you cannot get people to do the work. That kind of makes you, think whether or not there are too many rules and regulations that make commonsense sort of outdated in those services.

I would be willing to go get a temporary job in some field that I was not familiar with if I were not making any money. It is senseless to just perpetuate a system by which the Government takes care of us and says you do not have to work in something you do not find pleasant or, you know, move more than 5 miles. It is a great idea. It is nice to be that considerate, but when we are going broke, when we have got a payment on the national debt interest per year that is greater than the entire national debt was 20 years ago, we have got some kind of major problem. We cannot just keep fiddling around with adjustments to it and yet we cannot let people drop through the cracks either. It is a tremendous dilemma, as the President said the day before yesterday.

Mrs. BAGGIANO. Again I do not think that is applicable in Alabama since able-bodied men are not given any form of welfare except food stamps. And that basically goes to the whole family. So that would not be as much of a problem here as in most other States which do give that aid, their check goes to families and not just to dependent children as it does here.

Senator DENTON. Well, until we had the stepparent income law, there was effectively money going out.

Mrs. BAGGIANO. I believe we lost 500 cases because of that. It was not a massive number out of a caseload at that time of about 60,000. We are down to about 50,000 right now in 1983.

Senator DENTON. Well, did not your written testimony say that that was kind of a bad thing to do?

Mrs. BAGGIANO. I am sorry, that was——

Senator DENTON. To put the stepparent income in there for consideration.

Mrs. BAGGIANO. Would you read me that paragraph?

Senator DENTON. No; I am just asking you, it is in my memory, I only read it once.

Mrs. BAGGIANO. No; there were a number of things that I think you are talking about. If a mother makes up to $120, she still gets $120 a month, she still gets her ADC check. But with the program, there is less incentive for her to work. Because if she is working, she is going to lose her ADC check which then loses her medicaid check. So I think that is what you are referring to there.

Senator DENTON. All right.

Before I was even interested in running for the Senate, I went to Montgomery and spent 2 days looking into that. I realize that we have very little money compared to other States. I realize that once that medicaid check is gone, it is pretty tough. And you think consideration should be given to continuing medicaid beyond the present income limitations in order to eliminate work disincentive?

Mrs. BAGGIANO. Probably, although medicaid in Alabama is very tightly funded right now, and it is hard for us to keep up with the needs of that are already there.

Senator DENTON. But it might get people off welfare because some of the other money would not be drained out if they got jobs

and were permitted to keep their medicaid. They could make income to cut off the other sources of welfare income.

Mrs. BAGGIANO. Yes; because medicaid is a very valuable program. When you have young children and you know that if they are sick and you cannot see a doctor if you continue working. Of course, most of the people that we are dealing with do not work in high paying jobs and thus do not have health insurance, private health insurance. A great number do not.

Senator DENTON. The copayment on medicaid might cut down on some of the increase in medicaid costs. I have just come from two big meetings with doctors, one here in Birmingham and one in Atlanta, and it is just a fantastically proportioned problem. But you sound as if you have at least an approach to it, and you are simply brilliant on all of those items, Mrs. Baggiano. I want to thank you very much for your testimony today.

Mrs. BAGGIANO. Thank you, Senator.

Senator DENTON. Mr. Thornhill, good morning to you, sir, and would you step to the mike and podium.

Mr. THORNHILL. Senator Denton, first of all, I would like to commend you on providing an opportunity whereby leadership from this State—leadership of the voluntary, public and private sector, could come together to address those present and future initatives which will allow more of our State's citizens to become economically, emotionally, and spiritually self-sustaining individuals.

Within my presentation, I would like to outline how our office, the Alabama Office of Voluntary Citizen Participation, through its program goals, is developing networks of services, which will assist Alabama's social institutions in directing and aiding those in poverty toward a life of economic independence.

First of all, our office's mission is to act as a statewide resource to State and local agencies and organization on the professional development and management of volunteer services. Our office is one of 13 in this country. In one major way, we are the most unique within this group. For as most of the offices were created with little input by citizens, ours was anything but. We opened our doors on May 24, 1982, after 4 years of tenacious work by a group of 50 leaders in volunteerism within our State. Leaders representing such voluntary areas as Boy Scouts, Salvation Army, and Red Cross, Older American programs, voluntary action centers, Department of Pensions and Securities. These grassroots leaders in a joint relationship with Governor James submitted out subsequently funded proposal to ACTION late in 1981. Due to this partnership, we have a beginning of an office which all Alabamians can be proud of.

This group of leaders and Governor James charged our office with accomplishing the following:

First, to develop, implement, and maintain a comprehensive system of information collection on voluntary action and citizen participation throughout the State. This means surveying the scope of citizen participation activities within Alabama. It is a massive task which our State office will be accomplishing this year. The final product of the survey now in progress will be a catalog of volunteerism, an up-to-date listing of volunteer activities throughout the State of Alabama. This catalog will be made available to the

public by July 1, 1983. The results and benefits to be gained from this sweeping effort are unlimited.

For instance, some of the information requested on the questionnaire is: where are the volunteer programs located? What are they doing? In which areas do they need assistance? Do they need assistance in budgetary procedures, recruitment of volunteers, development of training packages? In which areas do they perceive themselves as experts, public relations, development of a newsletter, planning and organizing excellent recognition activities? Then we go even farther and ask if they are willing to share their expertise in their respective area.

For example, our office receives a call from a volunteer rescue squad in Dothan who needs assistance in preparing their budget for the upcoming year. They are without anyone experienced in this area. Utilizing data collected through our survey, we find that the Madison County Volunteer Rescue Squad has an administrator of volunteers who works as an accountant for the city of Huntsville and has many years of experience in budgetary procedures and forms preparation, just what the Dothan Rescue Squad needs. We are thus able to bring the two together, from one end of the State to the other, in a living network, neighbor helping neighbor, simultaneously satisfying the need for help and the need to help.

Our office primarily serves those individuals who, in some part of their job, whether it be 100 percent time or 5 percent of that time, act as an administrator of a volunteer program. We recognize it is our task to supply them with the most up-to-date information, education and training which will assist them in involving their community toward resolving their social problems.

The next goals I would like to speak to is an attempt to provide those services.

Our office is developing a library resource in the field of voluntarism. We have submitted to the Alabama Public Library Service a 2,000-item bibliography covering every area of volunteerism from recruitment of volunteers to evaluating those programs. APLS is in the process of annotating or summarizing this bibliography and when it is complete, our office will market it to Alabamians on a quarterly basis, beginning early in 1983. Interested individuals will receive a listing of the bibliography for review. From this list, they may select items of interest which will be available at their local libraries through an interlibrary loan from participating libraries in other parts of the country. Capacity for retrieval of materials outside the State will be 7 days for a loan period of 3 weeks.

Again our office is setting up supportive networks to enhance and increase volunteerism in Alabama.

The next goal is a goal that has been established by President Reagan on a national level. As you know, the President has asked each Governor to initiate a private sector initiatives task force. This task force's mission is to encourage contributions of both human and financial resources to the progress of our communities.

Tapping the vast resources of the private and voluntary sectors in Alabama on August 7, 1982, Gov. Fob James appointed a seven-member steering committee for the Governor's task force on private sector initiatives.

This committee met for the first time on September 30 to define their mission and goals in developing guidelines for future implementation on a statewide task force. Subcommittees have been formed. Their final report will be given to the Governor on January 17, 1983, for his review and hopefully establish Alabama's task force on private sector initiatives.

Corporations represented on this Committee are Blount International, Liberty National Life Insurance, Anniston Super-Value Stores, Anniston. Also combined with this committee are individuals representing the voluntary sector.

Senator Denton, in the interest of time, I have not outlined all the goals of our program, only those that are most appropriate for today's hearing. I hope that my presentation has conveyed our office's enthusiastic interest in assisting our State's social institutions in forming working relationships with the citizens they serve, partnerships that will be productive and fulfilling for all.

Senator DENTON. Thank you very much, Mr. Thornhill. If you will stay at the mike for a minute.

It is certainly an admirable show of initiative on Alabama's part, and it has been a pleasure working with Governor James in the past, as I mentioned, on this. This up-to-date listing on voluntarism activities for those who are interested, is that principally for agencies which would become volunteers or is it for individuals who need help?

Mr. THORNHILL. It primarily would be for the agencies, organizations or groups that would want to get into voluntarism programmatically or for those already existing.

Senator DENTON. How would you separate or distinguish between these programs you are talking about and the ACTION program? How does it differ in terms of purpose and is there an overlap?

Mr. THORNHILL. Yes, sir, there is an overlap, but the scope of it is larger.

We serve all voluntary sectors, Boy Scouts, Girl Scouts, volunteers in the criminal justice system, corrections, et cetera. Most of ACTION's programs within Alabama are the older American programs and, of course, those older Americans also serve in agencies throughout the State.

So our scope is a lot larger but it does overlap also.

Senator DENTON. I think you will see ACTION, if you stay around, become broader. But I can see your people who have already sort of pioneered this in Alabama helping them a great deal. They are started on this, and there is nothing wrong with overlapping in that case. The big problem requires a lot of work by a lot of people.

Thank you very much, Mr. Thornhill.

Mr. THORNHILL. Thank you, sir.

Senator DENTON. Will it be Mrs. Roberts or Mrs. Spiller?

Mrs. ROBERTS. We would like to share our 5 minutes, please.

Senator DENTON. All right. Then you can both get up here at the mike, please.

For Mr. Thornhill and Mrs. Baggiano and for all witnesses this morning, I would like to announce that we will be submitting further written questions to you and request that you respond to them within 10 days.

Go ahead.

Mrs. ROBERTS. Senator, I, too, want to thank you for an opportunity to come and talk with you today about our programs. We have been very enthusiastic about it in Tuscaloosa. We have read many things and we have heard many things really about did us in. I would say that this broken arm is not the result of any of the negative feelings from people in Tuscaloosa County, old woman running when she should have been walking.

We have learned a few things about this program that has so nationally been negative, and I would like to mention those and then turn the rest of the 5 minutes to Mrs. Spiller.

We found our clients lack for programs. I do not know of a single client that we have talked to who has not answered positively. Of course, you say they have to answer positively about this thing and that we have a captive audience. But really deep down we feel that, as we have spoken this morning and before, that people, most of our people want to work. And we have just learned so many surprising things about ability, the interest, their willingness. We do not have any folks that do not want to pick apples, we do not have any people that are not willing to wash school buses or to do some work, when they have never driven an auto in their whole life, are willing to do the spark plugs or whatever they are told to do. So we have seen many, many positive things.

We find, of course, that our community leaders think this is a good program. These people are willing, and they will give them a try. And they have been very pleased with all of our folks.

We have a board that gives us help and support in working this program, and we have days when we need and talk about, like we are doing now, and they stand up and tell what their folks, the people that they have working for them, what have they done lately and what their jobs are, what their attitude of how the work is. All these things have been very positive in Tuscaloosa County.

We see this as really a beginning of a new situation for our people. We also feel that the work incentive program, the WIN program, Mrs. Baggiano has mentioned this, was a great help to us in getting this program off the ground. Our workers knew something about helping people and getting them support in a new type situation.

So we had trained people there that recognized problems that we really could use and would go the last mile with our clients to help us support them in this new endeavor.

We believe this program will work. We would like to see it work with the WIN program, a combination situation, as we have discussed briefly this morning.

I would like for Mrs. Spiller to tell you some detailed things about it that I have not mentioned. But we do appreciate the opportunity to come and speak with you.

Senator DENTON. Thank you very much, Mrs. Roberts.

Mrs. SPILLER. I am kind of hard pressed to follow Mrs. Roberts to say something, but I certainly appreciate the opportunity to be here and talk about our two work programs in Tuscaloosa.

We are extremely proud of both programs. The WIN program actually began in Tuscaloosa in December 1972, and I was there. We actually grew together and I have been with it 10 years. Now our

community work experience program, commonly known as the workfare program, began in April of this year.

When Tuscaloosa, I am told, was chosen to be the test county for this project, I wondered about that. Then they told me it was because we had such a strong WIN program there and because of the heavy concentration of public institutions in that city. Now I am going to talk a little bit about WIN first and give you some information about WIN because it is, and has been known to be, a cost-effective program.

Is that my 5 minutes?

Senator DENTON. We will give you a few more minutes. It is going to do that every time we reach the time limit.

Mrs. SPILLER. OK. Good. I will cut it short then.

But I would like to give just a few figures about WIN. We had in Tuscaloosa 211 who entered employment in the fiscal year 1981, and these were the ones that remained on their jobs over the 30-day period. Now some of the workfare statistics, and I know you want to know this. We have had 322 registered; we had 229 placements; we had 8 who left the program for jobs; we had 175 people who worked on onsite jobs in September; we had 331 service contacts, service contacts offered by the department of pensions and securities unit.

We anticipate that by the end of next month we will be at our maximum capacity. We will have 500 registrants and approximately 250 to 300 people actually working.

And I would just like to say one more thing, that in my opinion the reason the workfare program has actually been successful in Tuscaloosa is because we did take it into a strong WIN program and used it as an alternative activity for our clients. These were the clients who had very little education and training, and put them into work experience situations and supported them with supportive services.

Thank you.

[The prepared statement of Mrs. Spiller along will questions and answers of the panel follows:]

TESTIMONY OF

BETTY A. SPILLER

WELFARE SUPERVISOR I

TUSCALOOSA COUNTY

DEPARTMENT OF PENSIONS AND SECURITY

INTRODUCTION:

I am honored to be asked to tell you about our two (2) work programs currently in operation in Tuscaloosa County in the fight against poverty. The WIN (Work Incentive) Program began in December, 1972. The Community Work Experience Program (Workfare) has been operating since April, 1982. These programs have been well-received by both participants and community-at-large. We believe that our success hinges upon both the involvement and cooperative efforts of the community.

HOW EACH PROGRAM WORKS:

The WIN program assists welfare recipients in locating jobs in private sector enabling them to come off welfare rolls and become self-sufficient. They work with volunteers as well as mandatory participants whom are mainly the CWEP clients. The program is a jointly operated program with Department of Pensions and Security and Alabama State Employment Service.

CWEP (Community Work Experience Program) - The supervisor of the WIN program at Tuscaloosa County Department of Pensions and Security was selected as co-ordinator of the program. It was set up as a three (3) faceted program:

1) IMU (Income Maintenance Unit) at the Department of Pensions and Security establishes eligibility, registers participants, makes referrals to the Alabama State Employment Service, and figures the required number of hours.

2) The Alabama State Employment Service (WIN Unit) develops jobs, makes appropriate referrals to job sites, and handles employers' complaints.

3) The SAU (Separate Maintenance Unit) WIN Service Unit at the Department of Pensions and Security handles complaints, provides services to assist clients with problems as they arise, helps clients keep account of work expenses which are $25.00 a month maximum to cover child care, transportation, and meals. They contact no-shows and unsatisfactory participants to help them work out problems.

A local Human Resources Board was formed. Its twenty-two (22) members are made up of existing WIN Local Coordinating Committee members, heads of local governments, public institutions and organizations. The County Director serves as chairperson.

These leaders in our community expend a large amount of time in the interest of these projects. The Board meets at least once each quarter for the purpose of gaining community support, develop community resources to promote employment of welfare recipients and to coordinate efforts in working out problems. The response is very gratifying. Employers at our board meetings have commented that they are "amazed by the attitudes of the participants as more resistance was expected." "Good work has been produced also." Several have commented that they would like to hire them when funds become available. One participant was hired part-time and was laid off when funding was cut.

PARTICIPATION FIGURES:

The CWEP program had twenty-three (23) participating agencies on September 30, 1982. Some of them are Tuscaloosa City and County Schools, health centers, public library, recreation facilities and colleges, as well as Department of Pensions and Security. They perform such tasks as homemaker services, sitters at the hospital for foster children, clerical, custodial, recreation and teacher aides.

We project a total of approximately 500 CWEP registrants - 322 had registered at the end of September, 1982 - 229 had been placed on work sites, 26 sanctioned (adults' needs removed from budget). Eight had left the program for work, 44 had worked more than the required number of hours. A Total of 175 of the 229 placements were reported to have participated (worked) during the month of September, 1982.

Reports have not been completed for October; however, nine (9) more have found jobs. Five (5) have been sanctioned. Thirty-six (36) have been placed at work sites. It is projected that approximately 200 participants worked during October. Fifty-two (52) more were registered in October.

The WIN Program had 211 entered employment for over 30 days during fiscal year 1981-82. Twenty-one (21) of these were OJT (on-job-training) contacts or 10%. The yearly retention rate was 89%. Savings of $240,599.00 for FY 81-82. Therefore, I feel that the WIN Program is the most effective of the two programs in getting clients off welfare rolls. It has been proven that it is cost effective and was never funded so as to provide sufficient OJT contracts or an effective tracking system.

CONCLUSION:

The CWEP program was designed to break the cycle of dependency to allow participants to acquire a sense of dignity, self-worth, and confidence from being recognized as productive wage-earning members of society and to upgrade their employment skills.

We believe that most of the participants do benefit from the program. Our contacts with them have brought forward such statements as "I had rather work than sit and look at four walls" or "I like an opportunity to get out of the house and away from my husband for a while" or"I'm going to try to find me a good paying job." Many have learned the discipline of work, they have been exposed to the working world, and hopefully some job source ideas.

Employers are learning that special training techniques are necessary; such as, how to handle able-bodied, though slightly retarded participants, or participants with personality disorders, where to place them, how to train staff members to accept and help them. The possibilities are limitless for preparing the CWEP participants for making their own way in the world.

I believe the CWEP program in Tuscaloosa is successful because the WIN program is successful. I believe any program, to be successful, must have the support of the community and the administrative staff. I believe WIN should be #1 priority with CWEP as a co-ordinating program whereas participants would be placed in this component only until unsubsidized employment through WIN could be made available.

The WIN Unit in Tuscaloosa County has dedicated itself to further the cause of its clients and we are proud to accept the challenge of service to our WIN clients.

December 14, 1982

Mrs. Mary Roberts
County Director
Tuscaloosa County
Post Office Box 5237
Tuscaloosa, Alabama 34405

Dear Mrs. Roberts:

Thank you for taking the time to present your views on the implementation of workfare projects in Alabama to the Subcommittee on Aging, Family and Human Services. Your testimony will be very helpful to the Subcommittee as it continues to study voluntary efforts to help those in need.

I am sorry that time constraints did not permit me to ask questions during the hearing. I would appreciate your providing an answer to the following question for inclusion in the printed transcript. The hearing record will be held open for two weeks so that you may prepare your answer.

Based on your experience with the Tuscaloosa workfare project, what do you believe are the merits of expanding workfare to the food stamp program?

I look forward to seeing your response to this question, as well as to any other thoughts you may have.

My colleagues and I appreciate the time and effort you put in to give the Subcommittee the benefit of your views and experience. I hope that we will have the opportunity to call upon you again should the need arise. I hope you have recovered from your broken arm!

Sincerely,

JEREMIAH DENTON
United States Senator

JAD:ja

TUSCALOOSA COUNTY
DEPARTMENT OF PENSIONS AND SECURITY
P. O. BOX 5237
TUSCALOOSA, ALABAMA 35405

December 27, 1982

Honorable Jeremiah Denton
United States Senator
Committee on Labor and Human Resources
Russell Building, Room 110
Washington, D. C. 20510

Dear Senator Denton:

In response to your letter dated December 14, 1982, I do not believe it would be feasible to expand Tuscaloosa's current workfare project to food stamp recipients at this point in time. The reasons for my statement are twofold:

1. The majority of our current workfare participants have limited education and have never been gainfully employed. The project provides them with a chance to gain valuable work experience and training as well as giving them a feeling of self-worth.

2. The current food stamp recipients in Tuscaloosa number approximately 7,000 households. They consist of a large number of counter-cyclically unemployed persons who are without jobs because of the depressed economy we are now experiencing. They have the training and work experience which will enable them to re-enter the work force as soon as economic conditions improve. I believe our available public work sites would soon become overly saturated with these better qualified workers which would in some degree push our current workfare recipients from the forefront. Also, in my opinion this large number of participants would be extremely difficult to control as has been the reported experiences of similar projects in other states.

As you know, the WIN program has been in operation here for ten years. It is locally and nationally known to be cost effective by assisting our people on welfare rolls go into jobs in the private sector. I would like to see the WIN program restored to, at least, its former level of funding using workfare for

public assistance recipients as an alternative activity until our clients obtain jobs and become self-supporting.

Although we have had many, many positive reports of experiences of our people in the workfare program, it is not reported to be cost effective. A copy of one such positive experience, which is only one of many reported to me, is enclosed. I thought it would be of interest to you.

Thank you again for your interest and consideration of our experiences and views regarding our two work programs in Tuscaloosa County.

Sincerely,

Mary D. Roberts

(Mrs.) Mary D. Roberts
Director

MDR:

Enclosure: 1

12-9-82

This job cost us money
that we really don't have
to spare, but it helps it
and it's helping him
work he said that he pulls
like a man and so if
you don't mind please don't change
this job.

Thank you

December 14, 1982

Mrs. Betty Spiller
Director
Tuscaloosa Workfare Project
Tuscaloosa County
Post Office Box 5237
Tuscaloosa, Alabama 34405

Dear Mrs. Spiller:

Thank you for taking the time to present your views of the successes of the workfare project in Tuscaloosa County at the hearing of "Voluntarism in America: Public and Private Anti-Poverty Initiatives." Your testimony will be very helpful to the Subcommittee as it continues to study voluntary efforts to help those in need.

I am sorry that time constraints did not permit me to ask questions during the hearing. I would appreciate your providing answers to the following questions for inclusion in the printed transcript. The hearing record will be held open for two weeks so that you may prepare your answer.

> It is my understanding that workfare project costs are split between the Department of Pensions and Security and the Department of Industrial Relations. According to information submitted to the Subcommittee, plans to expand workfare to 18 counties have been indefinitely postponed because the Department of Industrial Relations lacks the funds for its share of the costs. What flexibility do the two departments have in using funds or sources of funding for the workfare projects? When do you anticipate that the 18 counties will be able to implement a workfare project?

I look forward to seeing your response to these questions, as well as to any other thoughts you may have.

My colleagues and I appreciate the time and effort you put in to give the Subcommittee the benefit of your views and experience. I hope that we will have the opportunity to call upon you again should the need arise.

Sincerely,

Jeremiah Denton

JEREMIAH DENTON
United States Senator

JAD:ja

State of Alabama
Department of Pensions and Security

Administrative Building
64 North Union Street
Montgomery, Alabama 36130

Faye S. Baggiano
Commissioner

January 11, 1983

Honorable Jeremiah Denton, Member
United States Senate
110 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Denton:

Your letter of December 14, 1982 to Mrs. Betty Spiller of the Tuscaloosa Pensions and Security Office has been referred to this office for a response. In your letter, you mentioned the Department's plans to expand the work experience project to additional counties has been delayed. This delay continues due to limited State funds, particularly on the part of the Department of Industrial Relations. We are considering approaching the State legislature for an appropriation to continue this project. If an appropriation is forthcoming, we estimate that the additional counties could implement the project as early as September 1983.

In a related matter, this Department has submitted an application for the funding of a WIN Demonstration Program. This program would replace the existing WIN Program and would offer advantages to the State not now available under WIN. This application is pending in Washington. If approved, 17 counties will implement the project effective July 1, 1983. The WIN Demonstration project allows for Federal financial participation in the costs of a State's activities in testing alternatives to the current WIN Program.

Please advise me if there is additional information we may provide.

Sincerely,

Faye S. Baggiano
Commissioner

FSB/mbd

Senator DENTON. Thank you.

Would you all stand by that mike so I may ask you questions, please, Mrs. Roberts?

You are not old, Mrs. Roberts, but your statement about running when you should have been walking, I think is typical of the approach you all are making. You are really exerting yourselves, and it is inspiring to me and gives me a lot of hope. If we can just find some ladies with commonsense and experience like you to address this, I really believe we can get it done.

I will take your words about workfare and be much more optimistic about it. We do hear negative input from the national picture on it.

Do you all believe that the unemployment situation in Alabama is a major obstacle to placing more ADC recipients in private sector jobs?

Mrs. ROBERTS. Yes; we do.

Senator DENTON. How many other counties in Alabama intend to start up workfare for ADC recipients? I suppose I should ask that of Mrs. Baggiano.

Mrs. BAGGIANO. We have 18 if we had funding. We have funding right now for four more.

Senator DENTON. Funding for 4 more and 18 that would like to try it?

Mrs. BAGGIANO. Yes, sir.

Senator DENTON. Government policymakers have been wrestling with the problem how to keep those who are able bodied from voluntarily quitting a job and going on welfare, particularly on food stamps.

Is Workfare to be considered a viable answer to that problem?

Mrs. ROBERTS. You know, it is always hard for me to really believe a whole lot of folks quit a job. I have been daydreaming or having this feeling for 30 some odd years now, but I do not believe we have that many.

I wish we had some figures somewhere, some statistical data. That has been a thing I have heard for a lifetime in the welfare department, you know, oh, going to quit, going to have a baby to get more money and stay on the welfare. Well, I do not know, we do not find many people. That is one of the things that we are so encouraged about.

We have found people who like themselves better, who have a whole different attitude since having this Workfare program. We really believe in it and we have a great enthusiasm for it. But, of course, we do a little bit of everything at our office.

I do not think I should say this, but we do a little job developing and we take a few people and introduce them, and we take small groups and show them around in hospital areas that are going to need some folks in there for their maintenance people. We do a lot of little things to push the program. It has to be pushed a little. You just cannot read the magazine or regulations or whatever you want to and expect this type of program to get off the ground. It will not do it.

But we believe that we can make it go and we try very hard.

Senator DENTON. Well, if it takes a genius to solve this, maybe we have genius in people like those on this panel. I think Einstein

defines genius as the capacity for taking infinite pains, and what you said about doing a lot of little things may he the fulfillment of that.

Thank you very much, ladies.

I would like to thank the first panel for their excellent testimony this morning. I hope to maintain close contact with you through our office. Let us know how the Workfare comes along.

Mrs. ROBERTS. Send somebody to see us. We welcome it.

Senator DENTON. Well, the telephone is a very useful object. We will send somebody to see you, I promise you.

Mrs. ROBERTS. We would like to show you what we can do.

Senator DENTON. OK.

The second panel, I would ask you to step forward as your names are mentioned.

Mr. David Orrell, executive director of the United Way; Mr. James Beckham, chairman of the Birmingham Area Manpower Consortium; Mrs. Marsha Ham, program director of the Birmingham Area Alliance of Business; and Mr. Allen Green, president of the Alabama Jaycees.

If you all would just be seated, please, and make yourselves comfortable.

Welcome to all three of you and thank you for coming this morning to give us your time to contribute to this hearing.

Mr. Orrell, would you care to begin?

STATEMENTS OF JAMES H. BECKMAN, CHAIRMAN, BIRMINGHAM AREA MANPOWER CONSORTIUM; ALABAMA POWER CO., BIRMINGHAM, ALA.; MARSHA HAM, PROGRAM DIRECTOR, BIRMINGHAM AREA ALLIANCE OF BUSINESS, BIRMINGHAM, ALA.; DAVID G. ORRELL, EXECUTIVE DIRECTOR, UNITED WAY, BIRMINGHAM ALA.; AND ALLEN R. GREEN, PRESIDENT, ALABAMA JAYCEES, HUNTSVILLE, ALA., A PANEL

Mr. ORRELL. Yes, sir.

Senator Denton, I am delighted to be here and certainly do appreciate your making yourself available to us.

Now, this is not part of my planned testimony, but the question about people on welfare, and some people having the idea they may not want to work, I would like to suggest that some of the statistics I furnish your office might help on that. We tend to think of welfare as people who are able bodied who are not working. And according to the data I have, 41 percent of all poor people are children under 18; 19 percent of all poor are the elderly, over 65, and 16 percent of all poor are underemployed males. That is three-quarters of the poor.

And I think you and your office and Congress knows why we are in that condition. Primarily the children result from usually a family headed by female who has little or no marketable job skills. So I think the idea that they do not want to work probably does not hold very good. It is hard to support that. I think that they are condemned by circumstances almost.

However, my testimony today is more along the lines of what the private sector might do to help people and get them off poverty. I

would like to share with the Senator what is happening in Birmingham right now.

United Way did a study back in May, and we found 2,800 people who had exhausted their job benefits. Now, projections are by December it will be 11,000, intermediate, we found out between May or between April and September, 6,000 exhausted their unemployment insurance. So we know that 11,000 next month is probably going to be valid.

As the ladies from DPS said to you, they do not have any benefits other than food stamps once the unemployment insurance is exhausted. So our United Way put up $675,000 to provide these people with what we call O-T-H-E-R, OTHER, meaning "over the hump emergency relief." We are paying mortgage payments; we are paying rent; we are paying utility bills; we are paying for food to keep these people going. I have been to the city council and county commission asking each of those for half a million dollars. So far it looks between neutral and positive. But we hope to come up with $1.5 million by December. We will use that money in the fashion I just shared with you. We hope to get through the winter and maybe into the spring and maybe into the economic upturn before that money runs out. To me it is a graphic illustration of what the voluntary sector and what the public sector can do together.

Another thing that is happening in Birmingham that may interest you and the Congress is Alabama Power Co. has recently come out with Project Share where they are inviting their customers to contribute a dollar month, in addition to their regular bills. That money is also being administered as is the United Way program through the Red Cross. Its purpose will be to help people with their energy bills, not just electric, but energy bills.

Another thing that is going on in this community is we are establishing a food bank. We have got a $100,000 contribution from the Greater Birmingham Foundation, all private money, and we are establishing this food bank. It will be on line probably almost as I speak to you, before the end of the month, where we hope to capture all of the 20 percent of the food that is wasted every day, bring that to a warehouse and distribute it to any institution that is a 501-C-3 tax exempt organization serving food for the needy, for church, for the Greater Birmingham Ministry, Salvation Army, whatever. All told—those are three projects. Another that occurs to me is one the mayor started called PNG, P-N-G, Partners in—I forget what the acronym is. But anyhow Protective Life Insurance Co., the United Way, the city of Birmingham started a youth program in areas where we were having youth gang trouble. A series of youth activities has been established, and that has been going on for 2 years. The juvenile delinquency in that area has dropped markedly.

I would like also to share with the Senator the fact that one of the things that disturbs us is down in Montgomery, the block grant planning, as I understand it, is carried out pretty much by those who administer those block grants. What disturbs me is the United Way system in the State of Alabama is 22 United Ways that last year raised $22 million in support of about a thousand agencies who combined an operating budget of about $100 million a year.

We involve 100,000 volunteers minimum every year. We serve one out of every four families and we are not a part of the system.

I frankly do not think they know we exist. I submit, sir, that we are quite a resource and it is almost counterproductive for the Government to ignore the existence of that voluntary social service delivery system. It certainly could help Government in its planning. We think we can even help in delivery of services.

I see I have run out of time so I will stop at this point.

[The prepared statement of Mr. Orrell follows:]

David G. Orrell
United Way
Birmingham, Alabama
November 8, 1982

Senator Denton

1. Two kinds of poor — chronic 7%.
   newly unemployed.

2. Chronic 7% - ADC, SSI, Medicare.
   a. Children under 18: 41.7% of all poor.
   b. Elderly over 65: 18.9% of all poor.
   c. Under-employed males: 15.7% of all poor.
   76.3% of all poor.

   d. Poor children caused by living in a single parent household. usually headed by a female with inadequate skills fo. a good job in the market place. (31% of such households live in poverty.)
   e. Poor elderly caused by inflation, medical costs, fixed retirements designed 30 years ago, no retirement plan, etc.
   f. Under-employed caused by inadequate skills, changing needs of employers, illegal aliens, depressed economy, etc.

3. Newly Unemployed.
   a. Once employment insurance benefits are exhausted the only assistance available is the food stamp program. These people are not eligible for SSI, ADC, Medicare, etc.

4. How does the private sector help the Newly Unemployed?
   a. PING - Prot. Life, City, U.W.
   b. SHARE - Ala. Power - U.W./R.C.
   c. O.T.H.E.R. - U.W., City, County, Individuals, Foundations
   d. Food Bank - U.W., Private Sector
   e. Community Resources Associates

5. How does the private sector help the chronic 7%?
   (See below:)

With the divorce rate equal to one in every two new marriages, the problems of single parenting have skyrocketed. Nearly one-third of this group live in poverty. Recent studies reveal 50% of all children born since 1965 will spend the major part of their childhood in a one parent household. These studies reveal also much higher rates of drug abuse, alcohol abuse, delinquency, child abuse, poor grades, drop-outs, etc., among this age group, when compared to their peers living in two parent homes.

In Birmingham, and in nearly all American cities, United Way member agencies have addressed these problems in many ways.

1. Day care for pre-school age children so single parents may work. Usually includes pre-school education and nutrition programs.
2. After-school care for school age children. Usually includes character-building, arts and crafts, remedial reading, career planning, manual arts, personal values, social values, etc.
3. Big brother role models for boys without fathers and big sister role models for girls without mothers.
4. Residential treatment centers for disturbed teenagers requiring psychiatric and psychological care.
5. Residential treatment centers for teenagers abusing drugs and alcohol.
6. Family Counseling Services.
7. Legal Aid Services - local, non-governmental, volunteer.
8. Residential treatment centers for run-away youth.
9. Outpatient counseling for drug related problems.
10. Adoption placement.
11. Foster care for children.
12. Assistance to unwed parents.
13. Homemaker services.

For the elderly in our community United Way agencies provide the following:

1. Homemaker Service.
2. Visiting Nurse Service.
3. Meals on Wheels Service
4. Employment Service.
5. Transportation Service
6. Telephone reassurance and checking.
7. Foster Grandparent Program.
8. Retired Senior Volunteer Program.
9. Recreation Services.
10. Social Services.

O.T.H.E.R.
(Over the Hump Emergency Relief)

I. THE PROBLEM STATEMENT

When the January, 1982, report of the Alabama Employment Office stated 12.8% unemployment in Jefferson, Shelby, and Walker Counites, our United Way began to pay serious attention to our economic situation; both from a fund raising viewpoint and from a social services viewpoint.

United Way learned also there was a $2,000,000 loss of federal revenues flowing through our 48 agencies. By mid-year we knew our public agencies, such as DPS and JCCEO, had lost some $5,000,000 for the same reason.

In May, 1982, a study conducted by our local Red Cross Chapter revealed 2,800 families had lost their unemployment insurance benefits This study predicted 11,000 more would be in this category by winter. (We learned on October 27, 1982, from the Labor Statistics Division of the Industrial Relations Department in Montgomery, that 6,000 families exhausted their benefits between April and September of this year in our area.)

The closing of U.S. Steel in July was the deciding factor. United Way had to act to help these citizens. We mobilized a task force of United Way agencies that same month and we allocated $175,000 to run a pilot program to study the problem. It is called "Project O.T.H.E.R." (Over-The-Hump Emergency Relief).

United Way's task force assumed the "chronic 7%," those persons who spend most of their lives moving from crisis to crisis, in to employment and out of employment, will continue to be cared for by the same traditional services, such as SSI, ADC, Veterans Administration, Cooper Green

Hospital, Medicare, Medicaid, etc.

Our target group is the totally new, additional population we chose to call, "the newly unemployed." These are people who have worked steadily all of their lives, paying taxes, giving to charity, supporting their churches, and undergirding the economic base of our community. Now they are unemployed, exhausting their savings, taking their children out of college, losing their cars and losing their homes. They aren't eligible for SSI, ADC, Medicare, etc. Once they exhaust their unemployment insurance benefits all they can receive is food stamps.

II. THE PROGRAM

O.T.H.E.R. addresses the needs of the newly unemployed; those men and women who have rarely, if ever, had to face the stark realities of unemployment. This is a new kind of client for the social service community, a client with a history of long term employment, who has been an important part of the greater Birmingham community.

Criteria for Eligibility

The criteria for assistance are as follows:

- The client is an adult.
- The household has insufficient resources to meet basic monthly obligations because of a layoff or the closing of a business/ industry.
- Before a client can get assistance, all monetary resources must be closely considered.
- The client must have been employed in Jefferson, Shelby, or Walker County.
- The client must have a good, consistent employment record.
- The client must not be receiving any monetary assistance, or income, with the exception of food stamps.
- No discrimination on the basis of age, sex, race, religion, country of origin, or marital status is practiced in the awarding of assistance.

Program Services

A potential client may be referred to the O.T.H.E.R. Program by an agency or by self-referral. Clients are seen on an appointment basis.

After the interview, the client's O.T.H.E.R. case worker makes necessary inquiries verifying information given and recommending the client be served or be denied service. O.T.H.E.R. Case workers have the authority to provide any service the program offers.

Available services are:

- Counseling
- Emergency Prescriptions
- Food Vouchers
- Rent/Shelter Payments
- Transportation
- Utility Payments

When services involve financial assistance, payments are made directly to the vendor; not to the client. The program is designed to give financial aid on a one-time basis; although exceptions are considered, each on its own merits. The assistance is designed to get the client "over the hump" until s/he can get a job, relocate, or get state/federal assistance.

Verification of Need

When a potential O.T.H.E.R. client fills out an application for assistance s/he signs a release statement in which s/he agrees to allow the service agency to verify information given during the interview.

Proper communication has been established between O.T.H.E.R. case workers and the three main utility companies. The case worker speaks with a designated contact person at each utility who relates the potential clients history of payment, disconnect record, etc.

Similar contacts are made with former employers, mortgage holders, landlords, and financial institutions involved.

Accountability

Funds received for the O.T.H.E.R. Program are deposited in a restricted account for this purpose at United Way. The service assistance agencies submit their expenditures to the United Way for reimbursement.

At the time agencies turn in reimbursement requests, they will also turn in beneficiary studies on all clients applying for assistance. These are important in the assimilation of "hard data" for the ongoing evaluation of the program.

A team of eleven people, appointed by their respective agencies/ institutions administer O.T.H.E.R. Team members are as follows:

American Red Cross	1 representative
Birmingham Urban League	1 representative
City of Birmingham	1 representative
County of Jefferson	1 representative
Crisis Center	1 representative
Family and Child Services	1 representative
Salvation Army	1 representative
Travelers Aid	1 representative
United Way	1 representative
Visiting Nursing Association	1 representative
Volunteer and Information Center	1 representative

Meetings of O.T.H.E.R. Team members are bi-weekly. At these meetings the members receive data in order to monitor and modify the program as needed.

Bi-weekly data includes:

- Number of approved clients.
- Number of denied clients and reasons for denial.
- Amount of dollars expended in services.

Monthly data to include:

- Utilization by zip code.
- Utilization by race.
- Utilization by company.
- Utilization by union and/or professional assiciation members.
- Expenses by function (categories of service).

Documentation and data is kept in the places prescribed in the "Practices and Procedures Manual" to include; agency applications, beneficiary study forms, service vouchers, bill/statements, and check registers.

III. THE PILOT EXPERIENCE

From August 1, 1982 through October 15, 1982 (ten weeks) we processed 567 applications.

We denied 143 (25%) because:
a. 63% had sufficient resources.
b. 27% quit their jobs or were fired.
c. 10% asked for a service we don't provide.

We assisted 424 (75%) with:
a. 75% rent or mortgage payments.
b. 38% utility payment(s).
c. 5% food

Eighty percent (80%) of those served are black and twenty percent (20%) are white. This is about what one would expect, since the unemployment rate for blacks (21%) is triple the rate for whites (7½%).

We spent $137,527, or $324 per case, during the test period. By October we were spending $6,000 per day on an average of 20 cases accepted per day.

IV. THE PROPOSAL

Based on the experience of the O.T.H.E.R. pilot program and the criteria herein presented, it is proposed the daily allocation for the program be an average of $6,000 to assist an average of 20 families per day at an average cost per case of $300.00. Considering there are 250 working days per year, $1,500,000 would serve 5000 Jefferson County families.

There is no administrative overhead charged to the program and every cent of every dollar is available for direct assistance to qualifying clients.

The core funding of the program would be shared by:

City of Birmingham	$ 500,000.00
County of Jefferson	500,000.00
Community Chest/United Way . .	500,000.00
	$ 1,500,000.00

Additional funds received from other sources such as other municipalities, other counties, individuals, foundations, and other corporate bodies are deposited in the O.T.H.E.R. restricted account at United Way.

These monies will provide additional assistance beyond the core funding of $1,500,000.

Respectfully submitted;

UNITED WAY OF JEFFERSON, SHELBY,
AND WALKER COUNTIES

David G. Orrell
Executive Director and Secretary

David G. Orrell
Birmingham, Alabama
November 8, 1982

UNITED WAY COMMUNITY FOOD BANK

It is estimated 20% of America's food is wasted every day, due to inefficiencies in the production, processing, distributing, and retailing methods currently in use.

Food is destroyed which is perfectly usable because of the wrong color, mislabeling, damaged containers, local surpluses, past legal date of sale, etc.

Birmingham's food bank will receive all such foods from producers, processors, distributors, brokers, wholesalers, and retailers.

These foods will then be distributed to any 501(c)(3) charitable institution which serves food to the needy. This includes rescue missions, church soup kitchens, Salvation Army, etc.

The donor receives a tax credit for both his cost and for a portion of his normal profit. The food bank charges beneficiary agencies 10c/lb. for any and all foodstuffs to help offset overhead costs. The food is served without charge to any who need it.

Our United Way, by means of a special, private grant, has allocated $100,000 to start a food bank for this community. We have received a warehouse of 10,000 feet gratis. We have received coolers, freezers, office equipment, pallets, shelving, and professional consultation, all without charge.

With all rescue missions and church soup kitchens reporting 50% to 80% increases in the number served we are sure we can help.

Each Probate Judge, Sheriff, District Court Clerk, and the Clerk and Register of the Circuit Court is required by law to preserve this slip or pamphlet in a book kept in his office until the Act is published in permanent form.

ALABAMA LAW

(First Special Session, 1981)

Act No. 81-976 S. 28—Mr. Hilliard

AN ACT

To limit the liability of certain persons and organizations that donate and distribute food free of charge.

Be It Enacted by the Legislature of Alabama:

Section 1. When used in this Act, the words and terms defined in this section shall have the meanings herein ascribed to them, unless it clearly appears from the context that some other meaning is indicated:

(1) "Canned food" means any food commercially processed and prepared for human consumption;

(2) "Perishable food" means any food which may spoil or otherwise become unfit for human consumption because of its nature, type or physical condition. This term includes, but is not limited to, fresh and processed meats, poultry, seafood, dairy products, bakery products, eggs in the shell, fresh fruits and vegetables, and foods which have been packaged, refrigerated or frozen.

Section 2. All laws to the contrary notwithstanding, a good faith donor of canned or perishable food, which is apparently fit for human consumption at the time it is donated, to a bona fide charitable or nonprofit organization for free distribution, shall not be subject to criminal or civil liability arising from an injury or death due to the condition of such food unless such injury or death is a direct result of the gross negligence, recklessness or intentional misconduct of such donor.

Section 3. All laws to the contrary notwithstanding, a bona fide charitable or nonprofit organization which in good faith receives and distributes food, which is apparently fit for human consumption at the time it is distributed, without charge, shall not be subject to criminal or civil liability arising from an injury or death due to the condition of such food unless such injury or death is a direct result of the gross negligence, recklessness or intentional misconduct of such organization.

Section 4. The provisions of this Act shall govern all good faith donations of perishable food which is not readily marketable due to

appearance, freshness, grade, surplus or other conditions. Provided, however, that nothing in this Act shall restrict the authority of any appropriate agency to regulate or ban the use of such food for human consumption.

Section 5. The provisions of this Act are severable. If any part of the Act is declared invalid or unconstitutional, such declaration shall not affect the part which remains.

Section 6. All laws or parts of laws which conflict with this Act are hereby repealed.

Section 7. This Act shall become effective immediately upon its passage and approval by the Governor, or upon its otherwise becoming a law.

Approved August 21, 1981

Time: 1:00 P.M.

I hereby certify that the foregoing copy of an Act of the Legislature of Alabama has been compared with the enrolled Act and it is a true and correct copy thereof.

Given under my hand this 24th day of August, 1981.

McDOWELL LEE
Secretary of Senate

ALABAMA POWER TO START EMERGENCY ENERGY ASSISTANCE PROGRAM

RED CROSS TO ADMINISTER PROJECT *SHARE*

BIRMINGHAM -- Alabama Power Company will initiate an emergency energy assistance program called Project SHARE (Service to Help Alabamians with Relief on Energy), aimed at helping low-income families in Alabama Power's service area pay their energy bills. The program will be administered by the American Red Cross.

Stephen E. Bradley, vice president-public information, said the purpose of the program is to help meet the emergency energy-related needs of low-income individuals such as the fixed-income elderly and the disabled. "Many of those individuals will face energy-related crises or emergencies this winter without assistance," Bradley said.

"SHARE will be funded by a contribution from Alabama Power and by voluntary contributions from company employees and customers," Bradley said. The company will make a one-time $50,000 "seed-money" contribution to help the program get under way. This contribution will not be charged to customers. Company employees will be given the opportunity to make a $1 monthly voluntary donation to the program through payroll deduction, while customers can voluntarily add $1 a month to their electric service bills as a donation to the program.

"The American Red Cross, through its division headquarters in Birmingham and its local chapters, will administer the program. An independent advisory committee with statewide membership will be set up to oversee the program. This committee, made up of representatives from community service and benevolent organizations, will set guidelines to determine who will be eligible for emergency help through the program," Bradley said.

Although details of the program are being finalized, Bradley said that energy-related utility bills of eligible participants will be dispensed by the Red Cross directly to the utility. "Participants will be allowed to receive one energy bill payment for the winter season and one payment for the summer season from the program."

Bradley said that in view of Alabama's high unemployment rate and the problems faced by the low-income and disabled, the company's involvement in an energy assistance program could be the catalyst for statewide participation by other businesses and utilities.

"Rising energy costs and inflation have particularly affected those customers," Bradley said. "They will need assistance as their energy usage for heating purposes increases during the cold winter months."

Senator DENTON. I want to thank you for your testimony. And it is extremely efficacious to learn about OTHER food banks being the other initiative in this area as well as the United Way's part in them and in their own program.

I did note in the paper the Alabama Power Co. saying that and I thought that was an excellent idea that people are willing to help others, particularly if they can do it in an incremental way or a specific way like that. It sounds great.

The remarks you made about the agencies who administer the block grants having the discretion about how to handle the money that comes down to them is one which I share your views on. The President does, too. He has tried to implement a much more liberal discretionary situation than that which has resulted from what Congress has done. For example, a bill passed the Senate which may have implemented maybe 25 percent of the program passed by the House. They went into conference just before we recessed. They were supposed to take position A, the Senate's position, and position C, the House, and either come out with one of them or with position B, something in between. Instead, they came out with position E which is not legal. And yet it is law, namely that 90 percent of all the money has to go to CAA's and that sort of thing.

There are a whole mine field of ways that I am going to call vested interests that can impede that which this President wants to do to save the situation. He is a man who voted for Franklin Delano Roosevelt four times, and he is by no means a noncompassionate man. I am saying this for Democrats and Republicans, and there are many Democrats up there who support what the President is trying to do, when he is right, more than there are some Republicans. It has nothing to do with party. It has to do with attitude. And I very much appreciate your efforts; you took not a condescending view at all towards those whom you are helping.

Go ahead.

Mr. ORRELL. I just wanted to say one other thing. We got the United Way in everyone of the five largest cities in the State to meet in Governor James' office a few weeks ago, and said, hey, we are a $100 million resource, use us. And nothing happened so far. I do not know what will happen.

Senator DENTON. Well, what can we do about facilitating better communication between the State and organizations such as United Way? The State can be aware of what you do. Maybe you can even communicate to your legislators and to the delegations here that represent the needy, that there be a participation in the assistance by you.

Mr. ORRELL. The problem is—well, I am taking too much of your time, but the problem is we did get our county delegations, we did share our position with them, and it became increasingly clear that the decisionmaking process for the block grants is made by the administrators of the block grants too much. And I know of no way to access the voluntary leadership of this Nation than through the United Way. There is where the power structure is. And I do not mean just wealthy people, I am talking about organized labor, I am talking about black-white, I am talking about the volunteer corps of this Nation is represented on the United Way Board across the country. And what a way to access.

Thank you, sir.

Senator DENTON. Thank you, Mr. Orrell. We will be seeing you later.

Mr. Beckham, please.

Mr. BECKHAM. Senator Denton, my name is Jim Beckham, and I serve as the chairman of the Birmingham Area Private Industry Council.

I want to express my appreciation for the opportunity afforded us to talk briefly with you about some of our activity.

The Birmingham Private Industry Council was established in October of 1978 as one of the original 34 local Private Industry Councils mandated under the private sector initiative program. Ours came down through title 7 of the CETA Act.

The primary purpose for establishing local Private Industry Councils was to assure the active participation of the private sector in the delivery of employment and training programs which are aimed at preparing our Nation's economically disadvantaged for a place in the labor market. We feel that the phaseout of public service jobs finally moved CETA back into the training arena for which it was intended. And we certainly applaud the new direction for employment and training programs which Congress has recently established with the passage of the Job Training Partnership Act of 1982.

The establishment of the job training delivery system, which places the private sector in a partnership arrangement with the public sector in the area of program planning, should assure that local job training efforts are in concert with both short-term and long-term employment needs of local business and industry. Of course, in the Birmingham-Jefferson County area, we feel that we have truly had a public-private partnership in existence since our local Private Industry Council came into existence. While our local public officials have continued to insure fiscal integrity to local programs, the Private Industry Council has been instrumental in effecting modifications to program delivery which have resulted in both increased employment opportunities and reductions in cost. And I would like to share with you briefly some of the things that we have done.

Since fiscal year 1980, when we came into a rather major role in program implementation, the cost of placing a participant in unsubsidized job through our skills training activities has been reduced by 36 percent. Now, one primary reason for this reduction has been a major improvement in the administration of supportive services. While still providing day care, medical and transportation services to those who truly need it, we have improved our screening and streamlined administration which has resulted in tremendous cost savings. A second major factor has been the establishment of the job shop in March of 1981. This job shop is an intensive, 3-week job search activity which places the burden of finding employment on the participant themselves. During fiscal year 1982, 68 percent of those individuals completing this activity were successful in finding unsubsidized employment. It had also been the intent of the Private Industry Council to assure that skills training programs being offered to eligible applicants will in fact result in job opportunities at the conclusion of the training. Improvements

in the dissemination of local labor market data, as well as the input from the membership of our council who represent all the major industries in Jefferson County, have resulted in occupational skills training that can truly make people better able to find jobs in the private sector.

My council has also made an investment in future job opportunities for area residents. Through funding provided by the council, one of the major economic development offices in the Birmingham area has been engaged in international marketing in England and in Europe. While the return on this investment, of course, may be down the road a ways, it is the kind of flexible program planning that will meet needs of structurally unemployed.

In conjunction with programmatic changes, the Private Industry Council has increased the visibility of job training efforts in the Birmingham area by producing a slide film presentation which we are showing locally.

As chairman of the council, I would also like to congratulate Congress for its forethought in providing for 2-year planning cycles. As we move into high technology, many of the kinds of training that needs to be offered cannot be completed in a 12-month period of time. Also this would give us greater flexibility in working with our local educational institutions.

We in the Birmingham area representing private industry certainly are excited about the new Job Training Partnership Act. If we accept the premise that 80 to 85 percent of the jobs are going to be found in the private sector, then the ultimate success of any training activity is going to depend on acceptance by the private sector employers.

I pledge to work with both the State and local officials toward a program transition to this new legislation that would result in the true public-private partnership arrangement for the delivery of very meaningful cost-effective training opportunities to that segment of our population that is targeted by this legislation.

Thank you very much.

Senator DENTON. Thank you, Mr. Beckham. I am delighted to hear so many favorable reports about the redo of CETA and the job training program.

Senator Quayle deserves a great deal of credit for that.

You mentioned that your cost of placing a participant in unsubsidized jobs has dropped by 36 percent since 1980. What is the cost now to place them physically?

Mr. BECKHAM. We are averaging, without just coming off the top of my head, somewhere around $1,400 or $1,500 I think.

Senator DENTON. Are they pretty stable once they accept that position? Do they usually stay?

Mr. BECKHAM. We have got a good track record. We followup after the initial placement and check back at a later time to see if they are still unemployed. And we arbitrarily set our own job placement target of 60 percent. If any deliverer of training service or program is not placing at least 60 percent in unsubsidized employment, we do not recontract with that group or carry that program forward. And that is our own local arbitrary standard.

Senator DENTON. Well, thank you very much, Mr. Beckham.

Mr. BECKHAM. Yes, sir.

Senator DENTON. We will be asking you some questions in writing because we are quite interested in hearing more about that program.

Mrs. Ham.

Mrs. HAM. Senator Denton, I would also like to thank you for inviting us here to speak to you today because I am very proud of the program I am going to mention. Mr. Beckham can verify that I can talk endlessly about the program because I am so excited about it. But I will try to make my remarks very brief.

We are an example of a public-private partnership. Our organization, the Birmingham Area Alliance of Business, is a nonprofit, private business backed organization. We operate in a partnership with the Private Industry Council here in Birmingham, the Birmingham public schools and the University of Alabama in Birmingham. Since this program, the combined efforts of these three groups, we feel that it has a great chance of continuing over the long term.

The program name is TOPS. One of our students in the first summer named the program with an acronym which stands for "Teen Opportunities Promote Success." We feel this describes the program very well. We are trying to provide some of the teenagers in the Birmingham city school system who happen to be economically disadvantaged with opportunities to succeed. We work primarily with economically disadvantaged students who are seniors in high school.

Students have to have demonstrated a potential for success, to be considered for TOPS. We are talking about that broad stream of students who are often overlooked. There are problem children on the low end of the scale who have definite disabilities and who are very difficult to work with, and then there are the gifted students. But in the middle there is a wide mainstream of students who have a lot of potential that someone needs to help them develop. And a large number of these students happen to be economically disadvantaged.

To select students we work through the counselors of each high school. Applicants must be seniors, must have a C overall average in their major subjects, must have good school attendance, and they must have passed minimum competency English and math tests required for graduation. We are looking for that middle of the road student who has a beginning level of competence on which to build to become successful. We look at good school attendance because we know in a job that attendance is one of the very important criterias for success. Since we are working with the business community and placing the students in business, we must have a level of expectation, so when we talk with the business people, we have something to base our comments.

As I mentioned we are a private nonprofit business organization, the Birmingham Area Alliance of Business. We were formerly the National Alliance of Business, Birmingham Metro. We incorporated specifically for the purpose of operating this program. Our funds are provided through Private Industry Council and through Youth Work, Inc., with funds from the Edna McConnell Clark Foundation. So we are operating with both public funds and private funds, with the public funds providing the majority of the funding.

We are not a job placement program as such. The purpose of our program is an educational one which centers around helping students to see the link between academic skills and success on the job. So many times, students tune out in high school. Business people complain that the schools, are graduating students they cannot take into their organization because the graduates do not have the basic skills. A lot of this happens because a student cannot see the relevance between obtaining good oral communication skills, to success on the job, or good written skills, to success on the job. So we are trying to help them see that link so they will show more interest in their subjects, whether they go on with their training or go into the private sector directly from high school.

We also help the students to develop human relations and problem solving skills that are vital to success on the job. A lot of times, the student may have the knowhow but unless they know how to cope with the situations that arise on the job, they will not be successful.

We also help to try to help them gain experience in the real world of business. To many of these students, their idea of the business community is their local McDonald's or their supermarket or one of their local retailers. They have no idea of what the corporate world is really all about.

Our secondary goal is to have an impact on the educational community. We work with academic teachers from the Birmingham city schools in English and social studies. They learn how to make their curriculum relevant to the world of work. They take it back, and they share it with other academic teachers within the city school system. By working with UAB, we also have an impact on teacher training institutions. Through TOPS UAB is finding out what the teachers really need so they will be able to reach our young people and to help them be successful when they exit from our public school system.

The program has an impact on the business community. It allows private businesses to see that young people actually can be contributing members of their organization. Businesses also have input into the educational system through the program. They like being able to make comments and having a direct effect on the educational system.

As to the effect on the students, they learn through the program what it takes to achieve success, they develop positive work attitudes and learn about job productivity and how important it is. It helps them to see that relationship between academic skills and success on the job.

The purpose of our program is not permanent placement on the job. However, some of the students do continue with their employers or return to their employers upon graduation. What students take are job getting skills and job keeping skills with them as they leave TOPS. They also develop a more positive self image. We have found in a lot of instances that this is where the problem lies. They also develop an understanding of employer expectations and they develop valuable work experience and job references. When they do go out on their own, they have something to back them up, so they can say, "I can do it. Give me the chance."

I understand there is interest in possibly replicating this program in Mobile or perhaps another area. There are several components that need to be available to sucessfully replicate the program. One of them is a private nonprofit business organization to operate it to give you a base of business support. You need the cooperation of the local school system. You need a receptive and cooperative private industry council. And you need a source of private funds to supplement the public funds. Private funds are a very important part of our program. They allow us to be creative in the way we approach the program.

Thank you.

[The prepared statement of Mrs. Ham follows:]

STATEMENT

By

Marsha Ham
Project Director
TOPS Youth Program
Birmingham Area Alliance of Business, Inc.

Since the summer of 1981, the Birmingham Area Alliance of Business (BAAB) has been conducting a year-round work study program for disadvantaged high school students designed to prepare them for future jobs in business and industry. The program known as TOPS (Teen Opportunities Promote Success) is one of ten model programs initiated in various parts of the country by Youthwork, Inc., Consultant Ruby Martin and representatives of the Edna McConnell Clark Foundation. The programs are designed to bring community institutions together for planning and operations purposes and in so doing, allow each to grow and change in constructive ways to the benefit of the entire community. In the coming year, the Edna McConnell Clark Foundation plans to initiate ten additional programs in cities throughout the country.

TOPS was planned and organized by representatives of the Birmingham business community, the Birmingham City Schools and the University of Alabama in Birmingham. TOPS is an example of the kind of program that can grow from partnerships formed by the private sector and public institutions. It was funded initially by the Edna McConnell Clark Foundation and the Birmingham Area Manpower Consortium through its Private Industry Council. As the Edna McConnell Clark Foundation funds are exhausted, they are being replaced by private funds from within the community.

When presented with the Youth Program idea by Youthwork, Inc., the Birmingham Area Alliance of Business saw the project as a means of addressing the problems of Birmingham youth unemployment and complaints of Birmingham employers about the job readiness of high school graduates. The TOPS program was designed as a work/study program to help high school students from low income families develp those skills and traits necessary for job success. The program combines in-class instruction and on-the-job training to meet this goal.

TOPS is a year-round program. During the summer students attend a half day of classroom instruction where they develop those communication and problem solving skills vital to successs on the job. In the afternoons they work in Birmingham businesses. During the school year program, TOPS students take their required subjects at their home high schools in the mornings and work on their jobs during the afternoons and evenings. One night a week is set aside for TOPS classes.

Each program segment is tailored to meet the needs of that specific group of students. TOPS was planned to be innovative and flexible in its approach to helping young people master job related skills. A low student/teacher ratio maximikzes the opportunity for mutual respect and trust to develop. Individual counseling is one of the key components of in-class instruction. To be effective, it must be based on this mutual respect and trust.

One of the program's greatest strengths is that TOPS teachers actually visit jobsites and talk with the students' immediate supervisors to determine students' progress and identify any weaknesses. Employers particularly like this aspect of the program because most of them normally do not hire teenages and they welcome the teachers' efforts in helping the students integrate successfully into the organization. Not only must TOPS students adjust to a new environment, but supervisors must be sensitized to the anxieties of a young person entering the business world for the first time. An open line of communication between supervisor and teacher, teacher and student, and student and supervisor hjelps to facilitate a successful working relationship.

The downturn in the economy has limited BAAB's ability to develop job placements in the private sector thus limiting the number of students who can participate in TOPS since being selected as an employer's trainee is prerequisite to being in the program. The meployers who are working with TOPS are pleased with the program results. Although permanent placement is nota goal of the program, a number of emplovers have continued their students' employment beyond the end of the program session. Readiness for permanent placement is a goal and several other employers have hired their students full time upon graduation from school.

Three major groups joined forces to successfully design and operate the TOPS Youth Program: the Birmingham Public School System, the University of Alabama in Birmingham (UAB), and the Birmingham business community through BAAB. Without the cooperation of these three groups TOPS would not have been possible.

Aware of the need to help economically disadvantaged students make the transition from school to work, the school system was very receptive to the TOPS program model. They agreed to provide classroom facilities and equipment and to allow students to earn school credit toward graduation for participation in the program. TOPS teachers are selected from outstanding English and Social Studies teachers in the system.

A grantsperson from UAB helped to write the original program proposal. Two curriculum specialists worked with the teachers of the first TOPS session to develop instructional materials. one of the two specialists continues to serve as the Curriculum Coordinator. She works with teachers to continually update and revise the curriculum to meet the observed needs of the students.

. Bringing together two educational institutions and the Birmingham business community affects more lives than just those of the students involved in TOPS. Through the program, teachers learn how to correlate academic and human relation skills with success on the job. What they learn through TOPS carries over to their regular classes at their home schools where they work with one hundred-fifty students each day. By word of mouth and through special workshops, the information they learn is also shared with other teachers in the system.

The involvement of the UAB School of Education through the Curriculum Coordinator should help the school more realistically prepare tomorrow's teachers to teach young people the skills they will need to be contributing members of society.

By providing entry level jobs and working with TOPS teachers, businesspeople are realizing that young people can be assets to their organization. The extra time spent by a supervisor in training a student pays dividends not only in the future when the young person enters the work force on a fulltime basis but also in the day-to-day operation of that particular department.

The TOPS program is a learning situation for all the parties involved: students, teachers, educators, supervisors and businesspeople. It is designed to have a long-term impact on Birmingham educational institutions and, therefore, on the lives of all the city's young people.

Through Youthwork, Inc., BAAB received a grant from the Edna McConnell Clark Foundation. The purpose of this initial grant was to provide seed money to launch a demonstration youth program tailored to Birmingham. A funding proposal for the balance of the monies was submitted to and approved by the Birmingham Area Manpower Consortium's Private Industry Council for Title VII funds.

The program is so designed that the students will not receive stipends for the classroom training because they earn school credit and are paid by their employer for the hours they work. As a result, the entire budget is used to provide training and services and for operating expenses.

The availability of private funds has several advantages. Many students who apply to TOPS are from families whose income is low, but not low enough to qualify under Labor Department certification requirements. The Clark money allows BAAB to include a number of these students in the program. The teachers are also able to plan certain enrichment activities for the students which would not be allowable expenses for the Federal funds. In two words, the Clark and other private funds give the program the ability to be flexible and creative.

Businesses which are represented on the BAAB Board of Directors have made monetary contributions when specific needs arose. One such example was when the executive board recognized the need to produce a short film on the program to be used for job development. Members of businesses contributed funds to pay for the production of the film.

Private funds keep TOPS from being just another Federal program. The BAAB executive board recognizes the need to replace the diminishing Clark funds and is currently launching a campaign to seek donations from businesses represented on its own board and from other Birmingham businesses and foundations.

BAAB planned the TOPS program to be a long term one. As a result, both short and long range goals center around two operational objectives: increasing the number of job placements and broadening the base of financial support from the private business sector.

The need for the program is unquestioned, and the enthusiasm on the part of students, teachers, the school system, and participating employers is apparent. TOPS will continue to grow as its reputation as a worthwhile venture spreads among local employers and as the economy improves.

The Birmingham Area Alliance of Business is a non-profit consortium of business, civic, and education leaders. BAAB furnishes organizational and program direction for projects that:

- Develop private sector training and employment opportunities for low income persons.
- Encourage young people to acquire the basic communication and problem-solving skills needed for success in the world of work.

Senator DENTON. Thank you, Mrs. Ham.

What percentage of high schools are served by this, all of them?

Mrs. HAM. No, sir. We work specifically with the Birmingham city school system, and there are 13 high schools in the Birmingham city school system. We do have students represented from the majority of the high schools. I would say out of the 13, we probably work with 10 or 11 of the high schools.

Senator DENTON. Obviously you are going to have a common sense success rate of high proportions, it has to be well designed. But do you have any statistics to indicate what percentage of students who went through your program got jobs or succeeded, as it were, as opposed to those who have not?

Mrs. HAM. We do not have the statistics at this time. This is our second year so really we have not had enough follow-up time to determine those statistics. We have several instances where students have continued with their employers. In one particular instance, one of our students this summer was training under one of our program completers from the year before. A number of our students have decided to go on and further their education, either in college, technical institutions and some have selected the military service as a possibility.

We need a little more time to go back to determine success statistics. A number of the students are continuing to work in their current position, or they have gone out and found their own jobs. But statistically I could not work it out as a percentage basis at this time.

Senator DENTON. Having raised seven children, I can see how valuable this would have been for some of them on their studies.

Thank you very much. We will be submitting you some questions, Mrs. Ham.

Mrs. HAM. Thank you.

Senator DENTON. Mr. Green.

Mr. GREEN. Senator Denton, thanks to your aides, Nabers Cabaniss and Michael Wermuth, who were very helpful to me on my recent visit to Washington. Your office is very well run.

Presidents Franklin D. Roosevelt, Kennedy, and Reagan all warned of the dangers to the individual spirit and personal freedoms brought about by continued welfare dependency. Roosevelt, in the early 1940's, declared that the Federal Government must and shall quit this business of relief.

Now, four decades later, fresh from the realization that the American taxpayers are unwilling and unable to bear the entire welfare load and that the business sector is likewise unable to bear the load alone, America has embarked on a new social experiment to determine whether we the people are willing to do with our hands what we are neither willing nor able to do with our pocketbooks. In essence, this experiment measures our willingness in today's society to do what the closely knit society of yesterday did, taking it for granted that a neighbor will take care of a neighbor.

In my view, this experiment represents a fundamental test of the American system's future. Will we indeed have a return to fundamental American values through the "new volunteerism," or will we drift back toward a socialist state?

The budget cuts currently being implemented will certainly result in violent social consequences if not balanced by successful volunteerism efforts. We must tap the vast and virtually untouched reservoir of volunteer people power. Like many organizations, the Jaycees have always been involved in gut issues. Hundreds of poverty level people have been placed in private sector jobs and trained through Jaycee programs, such as Jaycee Jobs, Inc. Hundreds of homes have been weatherized by Jaycee labor; work cooperatives for low income elderly have been started. All of these initiatives in cooperation with the Federal Governments.

Through local efforts, Jaycees across Alabama are building fire stations, dialysis units, school lunchrooms, parks, and the $600,000 Camp Partlow in Tuscaloosa. Jobs and survival are obviously the issues of today and we as Jaycees are responding.

One, we will conduct six regional training sessions open to the general public which will address job hunting, resume writing, and career planning coming up in January.

Two, we intend to promote industrial development for Alabama's communities that want it. We will assist any community in preparation for industrial expansion through completion of the prepared cities program.

Three, to promote economic development, we will help communities to assess the need for job producing service oriented businesses.

The most exciting new focus for our effort is the United States Jaycees Community Foundations for volunteerism program. This gigantic effort came about as a result of the challenge of Mr. John Putman of the Department of Housing and Urban Development, formerly of Alabama, and as an outgrowth of the American Foundation for volunteerism of which you, Senator Denton, are a board member.

Foundations established by America's 7,000 Jaycee chapters can attack many of the social problems currently being cut from the Federal budget. Worthy of note is that a community foundation is the only agency in the United States free from pressure groups and political controls of Government. Locally determined needs are more accurately served.

While expertise and manpower for the formation of the foundations will be provided by the Jaycees, ultimate control will rest with the board of directors.

The foundations will attract bequests available and available monies from larger foundations.

Although potential purposes for the foundations are limitless, here are some possibilities of interest to this hearing. To provide assistance to physically and mentally handicapped children; to help secure jobs for physically handicapped adults; to provide training and jobs for the unemployed, the unskilled, disadvantaged and minority people; to initiate or maintain institutions for children who have lost their parents by death or abandonment; to provide nursing care for those who need it but cannot afford it.

Indeed, coming up in January, 10 regional training sessions will address just these issues. And for communities that are interested, we have a wealth of information available to them, such as how they can get involved in solving black youth unemployment problems, et cetera. Training is available because of funding through

the United States Jaycees Community Foundation for volunteerism program.

The Alabama Jaycees seek to expand our leadership training and community development into every area of Alabama. Jaycee individual development programming stresses personal evaluation, goal setting, a direction for life, leadership, financial planning, and communication. These programs are, in my opinion, just what is needed in assisting the impoverished of America. Indeed, one of my main goals as president of the Alabama Jaycees is to get us into communities of all colors, races, colors, creeds, national origins, whatever, to provide what we have to offer. I would like assistance from anyone in getting into those communities.

From that vast reservoir of volunteer power the Alabama Jaycees have assembled a force of 4,300 young men to meet the challenges of today. Our resources and those of every civic minded organization today must be spent in the most efficient way possible.

We invite cooperative efforts which may be suggested by local, State and Federal Government because we thrive on new challenges.

Senator DENTON. Thank you very much, Mr. Green. The Jaycees have always been very energetic and very involved with programs. You mentioned a number of them. Let me see if I have the community foundation for voluntarism straight in my mind here.

You are really in the formative stage and you are willing to provide the nucleus with some of our Jaycee chapters to form these foundations, but you really have not come up with a purpose yet for them, is that correct?

Mr. GREEN. Well, determining the purpose is an integral part of each individual program. You see, the whole idea is that a given community knows what its biggest need is. So, as part of the organized program, the first effort is to do a needs assessment and determine the single greatest need in that community. In a small town, there is a real good chance that those needs are not being met through any agency.

So the first thing is to determine what local citizens feel is the biggest thing that they need. Then a foundation can be built around that need. Then, of course, the purpose of the foundation can change from time to time.

Senator DENTON. So it would be the decision of each of the individual foundations as to what its purpose is, and you all are forming that up now.

Do you have a rapport or liaison established with municipal government or State government to help you ascertain the best needs or are you going by——

Mr. GREEN. Well, one of the main things that we want to do—I failed to mention it—is to work closely with the Governor and the other private sector agencies that are here today. And we will go from there. We will conduct a big needs assessment of our own next spring.

We have established contact with about 100 of the mayors in Alabama. Our first question to them, when we talk about establishing a Jaycee chapter in an area, is "what is the biggest single need of your community that is not being met?" Then we explain to them

the availability of the foundation program, and how we can work with them.

Senator DENTON. We would be very interested in that, and thank you very much.

I would like to thank the entire panel again and look forward to hearing of your progress, too.

We will now hear from the third panel. Mrs. Lynch, Reverend Jarrett and Miss Cross. Reverend Jarrett had to leave for a meeting, I understand.

This panel is on the activities, relevant activities of churches and charity groups. I would like to welcome you again and ask Mrs. Lynch if she will begin.

STATEMENTS OF MRS. JOHNNY LYNCH, EXECUTIVE DIRECTOR, BETHANY HOME, CHRISTIAN SERVICE MISSION, BIRMINGHAM, ALA.; AND MISS LESLIE CROSS, PROGRAM DIRECTOR, CHANNEL 1; ALETHEIA HOUSE, BIRMINGHAM, ALA.

Mrs. LYNCH. Thank you, Senator Denton, for the opportunity, and I want to say that we enjoyed your visit at the Bethany Home on Friday and those that came with you. I do not believe that the residents of Bethany Home will ever forget that. It was a great honor and we certainly thank you.

The Christian Service Mission is made up of several areas of ministry, the purpose of which is to share the Lord Jesus Christ with people.

First of all, it is very hard to tell people how wonderful it is to know the Savior when they are hungry or battered or homeless. And so we help to meet their physical needs first.

The Mission House is located on the south side of Birmingham and helps people with food, clothing, household items, helping them find places to live, jobs, whatever way that they can be helped physically, and then, of course, the gospel of the Lord Jesus is shared with them.

We have the Bethany Home, which is a home for homeless women, battered women. Because we do not receive any Government funding, we are able to take women from any areas in the State and the Nation, which we are glad for that. Some of the women that come are transient women that just go around from place to place, some are battered wives. We take married as well as unwed, expectant mothers who are not going to have an abortion.

We take women that have drinking problems, drug problems, women who have come out of maybe a mental institution who are able to function and yet they have no family or friends that would take them in.

Our program is open to anyone, regardless of their religion, their race, their nationality, or their creed. The way to come is that they have a need, that they be homeless, and then second, they must be able, mentally and physically, to do household chores. If they are not willing to do household chores in the home, then we are not able to take them.

We believe that where it says in the Word of God: That if any will not work neither should he eat. And so if someone is not will-

ing to work, then we are not able to house them at the Bethany Home.

There they receive food, clothing, shelter, counseling, Bible study, any way that we can help them. Live-in jobs have been a great way of helping many of our women. There are people who need someone to live in and take care of someone in their home, handicapped person, this is providing housing as well as an income to some of our women. Some get office work. Right now we have a young girl that is going to school; she is staying at Bethany Home, cooperating with the program and also going to school.

We have the Hannah Home which is another area of our ministry and it is similar to Bethany Home except that the women that come there have children. And mostly it is for battered and abused mothers and children, but we do take homeless mothers and children, maybe the father is in jail or maybe the mother is unwed and they need to come.

There are similar programs there at Bethany Home.

Right now we have another young girl there that is going to school studying for nursing. She has a little girl there at the home. They live at Hannah Home, she rides back and forth to school but she like, all the women, is to be working toward getting on their feet and with the idea to support themselves.

Because we are not Government funded, we don't have a lot of red tape. If a woman calls me today and she is in need, then she can move in today.

Also they can stay as long as they have need. As I said, we have transient women, some stay one night; that's all they want. We have others that stay weeks, months; some have stayed over 1 year. And if they are working and having a good attitude, and working toward being able to leave and support themselves, then they are welcome to stay.

The Mission is a mission field right here in our own area. We are free to take women from any State or any city. Our staff, we have 14, are called by the Lord we are home missionaries. The people that work with us are and we are called of the Lord and work there because we love the Lord first of all and then we love people. And we were committed to feed the poor and shelter people and help the widows and the orphans. So this is what we do.

And everything that is given out through the ministry is done in the name of Jesus.

[The prepared statement of Mrs. Lynch follows:]

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Phone 252-9940

SERVING
THE LEAST
THE LAST
THE LOST

BETHANY HOME
1615 Cullom Street
Birmingham, Alabama

LYNCH LAKE CHRISTIAN RETREAT
P.O. Box 98
Odenville, Alabama

HANNAH HOME
P.O. Box 98
Odenville, Alabama

FAITH CHRISTIAN ACADEMY
Odenville, Alabama

REPORT SUBMITTED TO SENATOR JEREMIAH DENTON NOVEMBER 8, 1982

The Christian Service Mission opened its doors July 5, 1970. The founder and executive director is Mr. Johnny Lynch. The work has several areas of ministry. The Christian Service Mission House is at 1149 16th Avenue South in Birmingham (252-9949). This building houses the business offices, a chapel, clothing rooms and food pantries. Needy people receive food, clothing, household items and gospel tracts at the Mission house.

The next area of ministry is the Bethany Home located a half a block from the mission house at 1615 Cullom Street South, Birmingham (251-7456). Bethany Home is a Christian rescue mission for battered wives and homeless women. Unwed and married expectant mothers who are not going to have an abortion can also come to Bethany Home. A woman can stay as long as she needs to stay and is cooperating with the program. She is to show progress in working toward being able to support herself. The Bethany Home residents receive housing, meals, clothing, Bible studies, counseling and personal items. We can not house anyone who is physically and mentally unable to do household chores. If able to do chores, they must then be willing to do them in order to stay at Bethany Home. II Thessalonians 3:10 b says, "that if any world not work, neither should he eat." The Good News of salvation through Jesus Christ is shared with each resident. Ones receiving the message is between them and the Lord and has no bearing on their staying or not staying at Bethany Home. One woman stayed 7 months at Bethany Home and never professed to be a Christian. She cooperated with the rules and left with a good attitude after getting a job through the Bethany Home at a nursing home. She left knowing that we loved and cared for her. If she called today needing to come back and still said she was not a Christian, she would be welcomed. The grounds for being at Bethany Home is ones need and cooperation, not their professing to receiving Christ as Savior. We love, witness to and pray for all the residents. It is our responsibility to share the plan of salvation, but it is their freedom to accept or reject. The Bethany Home has been opened since June, 1973. There is room for 10 residents at one time. There have been 671 women who have stayed there. Of that number, many have come more than one time. One woman came 7 times and another woman 5 times. Some stay a few days, some for weeks and others stay several months. Three residents stayed

over a year. Each resident's individual situation is different so length of stay is varied. There is no charge for a woman to stay at Bethany Home. When a resident gets a job, she is to save her money toward moving out of Bethany Home. Some get live-in type jobs, restaurant work, office work, housekeeping and hospital work.

The Hannah Home is another area of ministry. It is for battered or homeless mothers and children. Hannah Home (338-9471 Pell City Exchange) is located in St. Clair County between Odenville and Pell City off of Highway 174. It is 40 miles from Birmingham. The program at Hannah Home is similar to Bethany Home, except that there are children at Hannah Home. There is a Christian school, Faith Christian Academy, next to Hannah Home for the children to attend. It is a kindergarten through twelth grade school. Hannah Home has been opened only 26 and a half months, but already over 570 mothers and children have stayed there. No fee is charged the mothers. Thirteen of the fathers have come to know the Lord through counseling and witnessing they received from the staff. These families have been reunited and are doing well. Some of the other families have also gone back together. But some of the mothers and children have had to start a new life together separate from the father.

The different areas of ministry of the Christian Service Mission are faith works. They receive no federal, state or local funding. The support comes from churches, Sunday School classes, Vacation Bible Schools, Bible classes, individuals and some civic clubs. No one is refused help because of race, nationality, color, religion or creed.

The financial records have always been opened for any individuals or group who would like to see how the support is being used. The books are audited by a CPA every year and a copy of each year's report is kept on file also. The Christian Service Mission is governed by a board of directors made up of ministers, five members of the staff, and lay people. All checks must be signed by two people---the board treasurer and the executive director. There is a copy on file of every monthly and yearly financial report since July, 1970.

The Christian Service Mission, Bethany Home and Hannah Home are open to visitors. Questions concerning the ministry are welcomed.

Submitted by,

Ann Lynch

Mrs. Ann Lynch
Director of Bethany Home

Senator DENTON. Thank you very much, Mrs. Lynch. That was certainly enlightening and gratifying by what I saw over there at Bethany Home. And by your testimony here today it just emphasizes in your verbal testimony that anyone coming through there does not have to state that he or she believes your teaching, just that they be willing to be exposed to it.

Mrs. LYNCH. Right.

We are a Christian mission so, of course, our work is supported by churches and Sunday school classes and individuals who have this burden to share with the Lord. We have people who have come that had no religion or maybe a cult religion. We have had people who were not Christians, did not profess to be, but they knew that we loved them and we helped them, like I wrote in our report, a woman stayed 7 months. She never professed to know the Lord. She knew we loved her and she loved us too, and she did not feel pressured to profess what we believe. We were there to help her and, of course, we do share the love of the Lord. But we want to do it kindly and we want to do it in love.

Senator DENTON. How are you doing. You don't get any Government funds. Are you able to meet your needs so far with church and private funds? Are you able to see the possibility for expansion yet? I wouldn't think that would be necessary considering the nature of your operations.

How do things look financially right now?

Mrs. LYNCH. Well, the Lord provides and when things get tight, we pray and ask the Lord because, you know, he owns everything. And he works through the churches and sunday school classes, vacation bible school children. They will collect groceries and money to buy meals and baby food for the babies at Hannah Home. And so we believe in prayer. We have seen the Lord providing.

We thank the Lord for you and we have been praying for you these years and we thank the Lord for a country that we can live in and have this freedom to have this type of ministry.

Senator DENTON. Thank you very much, Mrs. Lynch. It is an honor for me to meet you all here today and the other day. And we might send you some written questions later.

Miss Cross.

Miss CROSS. Good morning, and thank you for inviting me, Senator Denton, to make this presentation. It is an honor to stand before you this morning and talk to you about a program that involves a networking partnership among community leaders, business sectors and youth in over 160 communities across the Nation. This program is known as channel 1.

Channel 1 is a drug abuse prevention program developed by youth for youth to produce an environment in their community that is conducive to learning and personal growth.

Channel 1 sites require sponsorship by the private sector and active participation by diverse citizens and youthserving agencies in the community.

In Alabama, there are presently seven channel 1 sites. These sites include Monroeville, Wetumpka, Auburn, Sylacauga, Gadsden, Troy, and Birmingham. Three new sites will be introduced this year in areas across the State.

There is a Channel 1 State Steering Committee comprised of youth representatives from each of the operational channel 1 sites in Alabama, and they are presently seeking adults to serve on this committee with them, as well as private sector facilitators.

These youth recently made a presentation to Mrs. Nancy Reagan at our First Annual Governors Conference on Drug Awareness in Montgomery.

In June 1981, Aletheia House, Inc., a United Way agency that provides services for substance abusers, was awarded $10,800 by the Alabama Department of Mental Health, and the Jefferson, Blount, and St. Clair Mental Health Authority in seed money to begin a channel 1 project in the Birmingham area.

A community in the western section of Birmingham known as Pratt-Ensley, was chosen as the initial focus for this project.

Perry Lewis of Sandy's Flower Shop in Birmingham volunteered to serve as the private sector facilitator and within 6 months over 20 youths, adults, community leaders, city officials, and school representatives form a nonprofit organization known as channel 1 of Pratty-Ensley for COPE.

Under the direction of the local drug prevention director, the private sector facilitators, the youth leaders, the Pratt community schools, the First Baptist Church of Pratt City and VISTA volunteers, over 100 youths were recruited for projects designed to provide alternatives for youths unable to get jobs or find constructive things to do during the economic crisis this past summer.

It was the hope of this group to deter substance abuse, delinquency and boredom and apathy in the Pratt-Ensley community. The Channel 1 concept requires a strong role model by representatives of the private sector. Though Prudential Insurance leads the way in terms of national private sector support, many local Channel 1 sites have difficulty explaining that private sector implies great diversity.

This term includes individual businesses, large companies, business associations, et cetera. It is also important that we express that the public and private sector in channel 1 be aware of the reasons private-sector involvement and its benefits to both communities.

Private-sector participants in channel 1 from across the country have cited good community relations helping prepare a better prepared work force and general community improvement as addition of benefits for taking an active part in the Channel 1 concept.

The complimentary skills of both the private and public sector participants involved in the Channel 1 concept provide an important element in their partnership. Through their combined efforts, a synergistic approach is produced which leads to new ideas, coalitions and solutions to problems that may not have been developed by either party working in isolation.

In conclusion, it is my hope that this testimony will encourage more private and public sectors to assume a social responsibility which will prevent them from focusing exclusively on profits without any regard to the welfare of their employees or the communities upon which they have an impact.

Unless we all learn to function as a team and face the stresses and strains of our society by improving our communities, it is my

fear that we will all face long-term negative side effects and perish together as fools.

Again, thank you for inviting me this morning.

Senator DENTON. Thank you, Miss Cross.

What is the role of the private sector facilitator?

Miss CROSS. The private sector facilitator serves as a role model, No. 1, in encouraging youth to become productive parts of society, whether it be through finances which we really don't request that much in terms of their time, in terms of materials or resources that you can use to benefit their goals.

Senator DENTON. How are you doing on finding private funds now? Your seed money is gone and you are sort of reforming. How is it coming?

Miss CROSS. What we are asking are kids to do or kids have decided to do themselves is they are not asking for any Federal or State moneys. What they are doing is doing things themselves to raise money to keep themselves alive. What they are only asking from adults is the supervision and direction needed and the kids themselves are raising money and asking for donations to help them stay alive.

Senator DENTON. You think it will be aided by the Economic Recovery Tax Act of 1981 in which your large corporations could contribute 10 percent of the pretax earnings in deduction of taxes?

Miss CROSS. It is my hope that we will be able to benefit from that. With the youth that we have working, I think the biggest problems that we have had in getting adults for our private sector becomes involved is that they want a lot of recognition before the media and the media in turns wants business involvement. So we are kind of caught between the two in trying to get both to work along with us.

Senator DENTON. Are you optimistic about extending the program within the State now?

Miss CROSS. I am very optimistic in that we are beginning to have more people become aware of what Channel 1 is. We have more youth that want to help themselves. And basically come from the premise of trying to give kids a new outlook on life and say, hey, we can be part of the solution.

Senator DENTON. Thank you, Miss Cross.

Thank you again, Mrs. Lynch. You are excused and we will ask the next panel to come forward.

Let me say anyone cut short on the verbal presentation we will make sure that the balance of all their statement will be included in the record. I have to say that for the record.

I would ask the following to come forward:

Jack Timmons, Director of ACTION, Alabama; Roger Johnson, young volunteer in ACTION, Sylacauga; Miss Westbrook and Mrs. Segrest from Retired Senior Volunteers in Tuskegee. Mrs. Westbrook and Mrs. Segrest here?

STATEMENT OF JOHN TIMMONS, DIRECTOR, ALABAMA ACTION, BIRMINGHAM, ALA., ROGER JOHNSON, YOUNG VOLUNTEER IN ACTION, SYLACAUGA HIGH SCHOOL, SYLACAUGA, ALA., GERTRUDE WESTBROOK, RETIRED SENIOR VOLUNTEERS, TUSKEGEE, ALA., FLORIDA B. SEGREST, RETIRED SENIOR VOLUNTEERS, TUSKEGEE, ALA., AND SARA B. HALL, PROGRAM DIRECTOR, MORGAN-LAWRENCE OLDER AMERICANS VOLUNTEER PROGRAM, DECATUR, ALA.

Ms. WESTBROOK. Yes, sir.

Senator DENTON. OK.

And Mrs. Hall from Morgan-Lawrence Older Americans volunteer program.

Welcome, ladies and gentlemen.

Mr. Timmons, would you care to lead off, sir.

Mr. TIMMONS. Thank you, Senator.

This person who is seated at the end is a foster grandparent who is with Mrs. Hall today.

I would like to thank you for this opportunity to come and talk to you about ACTION programs in the State of Alabama.

As you know, ACTION is a national agency for volunteer service and in the State of Alabama, we have 53 ACTION-funded projects.

These 53 projects represent a cross section of various types of programs which were administered by the ACTION agency. The Older Americans program, volunteer programs, make up the largest number of our programs, which is 35.

The three programs which compose the Older American volunteer programs are retired senior volunteer program, the Foster Grandparent program, and the senior companion program.

In Alabama, we have Older American volunteer programs operating in 41 of the 67 counties. The senior population over 60 in these 41 counties makes up 80 percent of the total elderly population in the State.

This statistic indicates that the resources that we do have available in the State are going to the areas where the senior population resides.

Also, 31 percent of the Older American volunteers are minority seniors as opposed to a minority senior population in these counties of 23 percent.

Almost half of the older American volunteers who participate in these programs are between the ages of 70 and 79 years old. Also 75 percent of our programs, volunteers, serve in communities classified as nonurban or less than 50,000 population.

I know that the RSVP volunteers in Tuskegee and older Foster Grandparents from Decatur will talk more about their particular programs, but there are a few comments I would like to make.

There are 27 RSVP programs in Alabama, representing over 12,000 volunteers who have provided during the past year 2,860,000 hours of service to over 1,000 public and private nonprofit agencies. If this was equated at the minimum wage, the service that they provide, the dollar amount would be somewhere around $9.5 million in service.

There are six Foster Grandparent projects representing 350 Foster Grandparents. Foster Grandparents are low income seniors

over the age of 60. During the past year, they have provided 210,600 hours of service to children who have special needs in correctional facilities, Head Start programs, day care centers, group shelters, mental retardation facilities, rehabilitation centers, and schools.

In the State we also have 2 senior companion projects, representing 120 senior companions and they have provided 65,000 hours of 1-to-1 service to the frail elderly in the two communities where they are operating. The majority of the hours provided to the frail elderly to help them maintain independence while living in their own homes.

During the coming year, these two projects will be working with existing community agencies and initiate more activity in addressing drug abuse among the clients they serve, since this is a major problem with our senior citizens today.

In addition to the 35 OAVP projects, we have three young volunteers in ACTION programs in the State. The YBA program is a new program funded by the agency and it is for youth between the ages of 14 and 22 who serve as volunteers in their communities.

The YBA program model was based on the very successful RSVP programs. Two of these programs were funded in September of this year, and we have just begun to implement the program and they are located in Tuskegee and Huntsville.

But the project in Alexander City and Sylacauga was one of the original demonstration projects and has been very successful. I am sure that Roger Johnson, who is a young volunteer in action on the program, will give you some of his feelings about being a volunteer.

Presently we have 10 VISTA projects in the State, representing 56 VISTA volunteers. The largest project is Alabama Department of Mental Health where VISTA's are working in developing parent groups to address the problems of drug abuse among their youth.

In the 6 months that this project has been operating, we have been successful in establishing 20 low-income parent groups in the State. In this State we also have two community energy projects which are small grants for a period of 1 year or less. These projects involve mobilizing the total community to address energy conservation and education.

One project which was funded last year was sponsored by the Auburn mayor's office, which was very successful in getting the community involved in low-cost or no-cost housing improvements.

This project involved over 400 volunteers and they were able to do home improvements to over 190 homes. We have a senior program which has just started in Lauderdale County which will involve youth as well as RSVP volunteers, the TBA, the power and gas companies, Alabama's Department of Energy and the private sector in providing material contributions and donations.

This project will be aimed at doing home improvements for the handicapped and elderly, educating the low-income community concerning energy savings and doing energy surveys. One of the newest projects which is just getting off the ground is for Vietnam veterans who have lingering problems associated with their Vietnam military service. The Alabama Vietnam veterans leadership program, which is a private, nonprofit organization, which is made up totally of veterans. We encourage Vietnam veterans to step for-

ward as volunteers to help their fellow veterans who have need; they will assure effective help for statewide estimated 10,000 local Vietnam veterans who still have problems associated with the Vietnam experience, and will demonstrate the leadership of the Vietnam veterans.

Even though this project will serve primarily Birmingham and the surrounding counties, I hope that the model that is developed by the Alabama Vietnam veterans leadership program can be duplicated in other communities around Alabama.

The last project which I would like to mention is the one that Mark Thornhill talked about earlier and that is the office of citizen participation, sponsored by the Governor's office.

The only thing I would like to add to that is that ACTION is serving as the Federal liaison on the Governor's steering committee and private sector initiatives and I am very excited and encouraged about what we have been able to achieve in a very short amount of time.

I think that based on what this committee has had to do, I am very excited about the partnerships which can be enhanced and develop some of the problems we are now facing in Alabama.

I notice my time is up, so I will stop.

Thank you.

Senator DENTON. Thank you, Mr. Timmons. I know that Mr. Johnson will sort of supplement your testimony.

What percentage of your funds are private or local government matching dollars——

Mr. TIMMONS. With our older American volunteer program, all of our programs have different match levels. Let's say with our retired senior volunteer program, non-Federal contribution is somewhere between 45 and 50 percent. Our foster grandparent program is somewhere around 18 to 10 percent.

Senator DENTON. Well, I certainly am grateful for all the volunteer time and work. It is incredible to add up the millions of dollars worth of time and service provided.

Do you think that concerted effort might be made to increase the level of private sector funding?

Mr. TIMMONS. That is one thing that we will be looking at. All of our projects, when we recently had our regional training in Atlanta, had a daily workshop on how our directors/sponsors could get more involved with private sectors in reference to making presentations and looking to the private sector for additional funds to support the program.

Senator DENTON. Well, thank you very much.

Mr. Johnson.

Mr. JOHNSON. Senator Denton, I want to thank you for this opportunity to testify about the volunteer activities of young people, specifically, the YVA members in Sylacauga and Alexander City.

I became a member of YVA in May of this year. Our sponsor is the Alexander City State Junior College. The grant to this junior college was the only rural youth project funded by ACTION last year, and it has been a most successful one.

The project actually began in December 1981, when a staff was hired. The volunteers began work in February. From these beginnings in February, 388 volunteers between 14 and 22 years of age

have served in 41 volunteer stations and given over 11,198 hours of voluntary service. Our goal was 10,000 hours for the first year, but we exceeded our goal in only 8 months.

Our volunteer stations in Alexander City and Sylacauga include a hospital, three nursing homes, a school for retarded children, a camp for handicapped children and adults, United Cerebral Palsy, a tutoring program in a low-income housing project, a drug abuse program, and numerous government and community agencies.

The positions that the volunteers are working in would, in many instances, be partially or totally unfilled without these volunteers. I definitely feel that this program has made a great contribution to the community and has helped the volunteers themselves in many different ways.

Our volunteers gave hundreds of hours to Alexander City's Camp ASCCA, a summer and weekend camp for the physically and mentally handicapped. Many volunteers stayed for 2-week camping periods, others for weekends or overnight. Their duties included assisting with recreation activities, feeding the campers (many of whom could not feed themselves) walking the Braille trail with campers, and one-to-one companionship.

Channel 1 is a meaningful project in Sylacauga. This is the only channel 1 program in the Nation that has teamed up with YVA to provide activities for youth and to prevent drug abuse. Activities have included selling concessions at ball games and sponsoring a summer tennis tournament to raise funds. A building has now been rented with the money and the volunteers will paint, clean, and fix it up for youth activities.

An example of volunteer work which specifically benefits low-income people is a tutoring program in a housing project in Alexander City. In response to a letter delivered to apartments in the project came pupils from 7 to 82 years of age. Subjects range from reading and writing to English grammar. Some tutoring is done on a class basis; some on a one-to-one basis.

Other programs that benefit low-income citizens include work done with two Head Start programs and with a child development center in a low-income housing project. The basic skills that are taught in these three educational programs help provide basic training that could someday increase the chance that these people will be employed.

Volunteers have also assisted low-income people through their work with the city recreation department. United Cerebral Palsy is another station that provides an invaluable service to the community. YVA members have assisted with different fund-raising projects, such as collecting money in front of stores and distributing and picking up collection boxes.

Job experience is a major benefit of volunteer work that helps both low-income youngster and others in the program. Members of the Sylacauga Police Explorers Post has gained skills in numerous law enforcement techniques and procedures, including traffic control and dispatching.

Volunteers at the local hospital and nursing homes have received training in everything from physical therapy to patient care. Some of these patient-care duties include assisting with recreation, companionship, carrying trays, making beds, and reading to patients.

Clerical skills are practiced at many of the government agencies. Experience in almost every field from public relations to photography is offered by the Museum and Arts Center of Sylacauga. One community leader who has worked with the program feels that YVA offers young people a chance to be involved in community volunteer program which not only benefit the community directly, but gives young people the kinds of experience and rewards that will make them want to be involved in the community throughout their lives.

It is a first-class opportunity for young people to have experiences that will enable them to have better references and to gain better jobs.

This statement seems to be typical among businessmen, government officials, and other community leaders who have strongly supported the program since its beginning. The youth are providing many necessary services to the community and are gaining a feeling of self-worth and of being a part of the community.

The experience and leadership they gain has already helped many in their personal development and even in getting jobs and its continuation will assure the same results in the future.

Thank you.

Senator DENTON. Thank you very much, Mr. Johnson.

You say this is the only youth volunteer group funded by ACTION. I am sorry. Excuse me. My voice is getting worse.

How is this—I mean, are there others around the United States, Mr. Timmons, or what are the criteria?

Mr. TIMMONS. There were 12 demonstration projects around the country, now there are 75 additional programs, so now there will be more nonurban type projects developed.

Senator DENTON. This is what I thought the President's Task Force on Private Sector Initiatives was going to get into—provide some Federal money to help a voluntary thing getgoing—but I was told that is not the case; the task force doesn't do that. But ACTION does; is that right? Then you guys seed money into volunteer programs?

Mr. TIMMONS. That's correct.

Senator DENTON. What is the money used for?

Mr. TIMMONS. The money is used for full-time project directors to help out-of-pocket expense for volunteers, telephones, administrative costs, supplies, things like that.

Senator DENTON. Well, it seems to me, though, this is the way to go. All the things that young Roger Johnson said are true, not only does it provide help but it also inculcates the habit of being involved, being charitable in what you do. It seems to me that since you are not hiring individuals in a bureaucracy to do all the administration, this is the way to go. Unfortunately, the bureaucratic way to do it is to give all these people the money to analyze the problem, to administer the money and all that. And it seems to me that the way you're talking about is the way to go. This is the way that hasn't been emphasized enough in the past.

Mr. TIMMONS. I agree with you, Senator. I also think that the things we have been talking about, private sector initiative task force, if that can be established in Alabama, I think we can start bringing all of those groups together, government voluntaries and

private sector together; I think it is improving on the steering committee that we got together that everybody is concerned but people don't know where to go and where to plug in properly, so it can be mutually beneficial to each other.

Senator DENTON. Thank you very much, Mr. Johnson. You have certainly represented yourself, and your participation in the organization, very well.

Mr. JOHNSON. Thank you very much, Senator Denton.

Senator DENTON. Miss Westbrook, I understand you and Mrs. Segrest were going to share your time. Is there a way we can get a microphone to them?

Mrs. SEGREST. No more than 5 minutes; we can both stand on our heads.

Senator DENTON. All right.

Go ahead. [Laughter.]

Senator DENTON. Go ahead, Miss Westbrook.

Miss WESTBROOK. I am very happy that you invited me to come and to speak a word on what I do in the school district. I am a RSVP volunteer at Lewis Adams School. I work with the retarded students or special ed. They don't like to be called retarded, so we call them special education kids. When I first went there it was a very complicated affair. Mrs. Edwards, director of RSVP, took me there and she took me to the two classrooms and said, which one do you want? I accepted one where couldn't nobody do anything with them, where they would throw everything they could get their hands on all across the room and kept you ducking all the time. But I liked them because I felt like that I could help those type of children. And I have been volunteering in that classroom for going on 8 years.

But they are some better now. But when I first went there I gave baths, combed the little girls', hair and I took a hot comb, hot plate and would wash their hair and run the comb through it and get them presentable to go to lunch every day. Some would come muddy, dirty and their hair wasn't combed. We would groom all of them and every morning they would ask who are you going to groom this morning? I say, whichever one gets to me first. And they would be running to get to me first. And I give the little boys their bath and put them on their clean clothes. And then when they went to lunch, they would be clean. Before I went home in the afternoon, I would take those clothes off what I had carried from home to take them back home and wash them so they could be clean to go to lunch the next day and put their dirty clothes back on them to go home. Because I know their parents wasn't going to wash them, and send them to school decent the next morning. And I always wanted them to look nice.

And then I would cook cakes and pies and give it to them. That was to entice them. And if I didn't bring them anything, they wanted to know what did I do last night. [Laughter.]

Miss WESTBROOK. Because they thought every morning I should have something to hand out to them.

Now, they didn't demand much, just a little something. If you had one little cracker and you could divide it between all of them, they would be satisfied. All they wanted was to reach out for love. And as they would reach out for love, I would reach out for love

from them. And I got joy out of helping those children because I live by myself and I didn't have any one to talk to. So, when I would go to them I was their joy. I was what they were needing. All the time it wasn't the right words, but I would get joy out of them. And when I reached out and touched them, they would reach out and touch me.

And it beats sitting home all alone by yourself thinking about things you shouldn't think about and drowning in your own tears, because that is what you do if you sit at home alone; you think about things and you are hurting and you go to crying and that is not good for you.

So, I don't have to cry any more since I have been volunteering at Lewis Adams School for these children. And they are very sweet children now. They are grown and they don't want me to give them any more baths now. They've changed. They don't want me to baby them. It shows they got to where now I say if you don't bathe yourself at home that's what I have to do when you get here. So, they come in in the morning and say, Miss Westbrook, we are clean this morning. And my hair be combed. You see, I say, you look so much better. And I tell them that they may not can learn like other children, they may not could work like other children, but if they get one thought a week, if they don't get but one, keep that. And you may have money in your pocket or you may have on fine clothes but somebody can take that from you. But if you get something in your head, nobody can't take it away from you. That belongs to you. And they believe that and they will tell me.

I learned something. I said, what did you learn? I learned how to count to 10. I said, can you write it? They say, yes, then write it. I turn the paper over and let them write it and they will write it. I say, you did learn something. You are improving. And I love that about them.

I want to thank you for inviting me to come and speak a word on the retarded because that is the part that I really love. I love those children because they cannot help themselves. And I think when I reach out and help them that I have done something for them.

Senator DENTON. Well, Miss Westbrook, I am sure everyone in the room felt the same laughter and same admiration and inspiration I did when you talked. Special children require special people, and you are very special.

Thank you.

Mrs. SEGREST. I don't know whether I have 1 second or 2 seconds. [Laughter.]

But I do want the pleasure of saying that Miss Westbrook is superior in many ways to some of the volunteers in the county; still, it is a true index of the quality of our volunteers.

We have people fitting into every possible opening from the county commission office to the day care centers and so on and so forth. We have approached it, you might say, professionally and as it happens, we have been pleased by having one very dedicated director and also her assistant. And she has also had the support of the leading people in our community and, of course, we are different, as you know, Macon County and Tuskegee are different from anywhere else in the world. We have a great many people who can serve, educated. I have often said that probably Macon County can

be a guinea pig county for the United States because I believe we would have a higher percentage of educated, qualified people in whatever field they follow.

And it has been a joy to me and I brag about the fact that I was chairman of the county commission when we started sponsoring RSVP and also I have been a volunteer myself, in between other odd jobs I do, since 1975. And I think that covers what we need to say, Gertrude. Because we admit that we are perfect.

Miss WESTBROOK. Senator Denton, would you step down just a minute, please?

Senator DENTON. Yes, madam.

Miss WESTBROOK. This is just a little token of love from ACTION and Macon County through me. And we hope that you will accept it. It is something that when you go to take your roast turkey out of the stove on Thanksgiving, you can stick your hand right in and it won't get scorched and it won't get burned. [Applause.]

Senator DENTON. Well, we talk a little bit about how the Nation is in trouble, and I guess it is. Maybe we will find that ingredient that made us great that community might have been getting among the missing in action here, and that is love.

Mrs. SEGREST. Well, if you don't have that, you have nothing.

Senator DENTON. That's right.

Mrs. Hall.

Mrs. HALL. Senator Denton, before we get started in our part of the testimony, can I ask you to come down here to the podium again, please, sir. You are getting your exercise after sitting so long.

Senator DENTON. It is not fair because what you do and the ladies that just spoke to make me very ashamed of myself in that I don't, you know, feel I have performed that well in my life and I hate to be receiving awards from people I should be giving awards to.

Mrs. HALL. Well, in a recent report to your constituents in Alabama, you stated that through your efforts to serve the people in Alabama you have found that one person has made a difference. And because of that and because of your feelings for senior citizens and what you have done in the short time you have been in Congress, we in Alabama would like to present this plaque to you.

It reads:

Presented to Senator Jeremiah Denton in appreciation for your continuing support of older American volunteer programs and for your concern for senior citizens. Alabama Older American Volunteer Programs, November, 1982.

[Applause.]

Senator DENTON. Thank you.

Mrs. HALL. The lady to my right I will introduce in just a few moments.

In addressing the hearing today I would like to first of all say that I have been privileged to direct the foster grandparent program for the past 6 years and a senior companion program for the past 1 year in Morgan and Lawrence Counties.

Having worked with other social welfare-type programs, I can attest that these two programs are cost-effective and impact the communities in such a way that the positive effects of relationships

between the volunteers and the persons they serve, either handicapped children or adults, produce enduring ramifications for the persons served, their families, the volunteers, the agencies, institutions, and organizations through which the volunteers served. All these result in improvement of the quality of life. And when you improve the quality of life of an individual, then ultimately you improve the quality of life of the masses.

Seen through the eyes of Foster Grandparent volunteers who served in our program for the past 6 years, Mrs. Lola Davis, from Decatur, would like to briefly address some of her experiences.

Mrs. Davis.

Senator DENTON. Welcome, Mrs. Davis.

Mrs. DAVIS. Thank you, Senator Denton.

I have been a Foster Grandparent for 6 years. I work with retarded children, delinquent children, handicapped children, slow learners. I worked with one little boy—it was juvenile work for him for one school term and he was 8 years old. As the saying says, he could out cuss a sailor and fight anybody that come in, but when I was with him they said he got all of his points. They gave points at this place, and they said he got all of his points. But when I left him he didn't get any more points because he was right back in just like he was doing.

I worked with the retarded children, learning them to tie their shoes, tie knots, write their name, print their name, rather, and how to button their shirts and tie their shoes and everything. And this has really meant so much to me because when I got in this program I was retired and I didn't have anything to do all day, the days were long. Now I get up at 5:30 every morning, look forward to going with these children. And it has really been great for me.

Thank you.

Senator DENTON. Thank you.

Mrs. HALL. The potential volunteer whose mental and physical health is rapidly declining because of inactivity and disuse of talents learned over a lifetime, who becomes a vibrant, enthusiastic volunteer like Mrs. Davis, with improved health and the knowledge that because of her work a child will be able to take a big step toward normalcy, even though the obstacles to that development are monumental and myraid.

There are success stories as Mrs. Davis has related about juvenile offenders, substance abuses, runaways, emotionally disturbed children, deaf children, blind children, children in braces in wheelchairs, severely and profoundly retarded children and abused children. There are stories that would make your heart break. And these children because of the care and concern proffered by the foster grandparent volunteers learn to believe in themselves and they learn that their level of achievement is directly related to the degree of belief in themselves.

The cost to maintain a child in our area in a residential facility for developmentally disabled is approximately $78 a day. To maintain a child in a special education classroom, 30 cents more per day than in a regular classroom.

To maintain a child in a day care center for developmentally disabled, $14 a day. And these children, through the 1-on-1 care of a Foster Grandparent volunteer can be motivated to seek their high-

est level of development. The cost paid from Federal, State, and local funds can either be contained or reduced.

Likewise, Senior Companion volunteers also proudly recite many situations in which they have been directly responsible for assisting persons with severe mental or physical handicaps to prevent or reduce prolonged hospitalization or institutionalization.

With medical costs in private hospitals in our area averaging $450 to $500 a day, nursing home care averaging $30 a day and care in a mental health facility averaging $42 a day, the ensuing saving generated at a State and Federal level, since most clients served are medicaid eligible patients, is tremendous.

Also the well being of the person served being able to remain in their own homes.

These factors make the cost of Senior Companion volunteer at less than minimum wage per hour particularly cost effective.

I would like briefly, in summarizing, to mention not only the work of the volunteers but I think one of the great successes, in addition to what the volunteers themselves accomplish, is the public support. In our county, approximately 20 percent of our support comes from non-Federal resources, State, county, and city revenues, United Way, churches, and industry. Most of this is cash support.

So that these contributions have come not only as a result of actively selling the community but I think probably more so as a direct result of what the community has observed as the volunteers go about their work and they observe the results of it.

However, as we look to the future, the communities cannot assume the total responsibilities for assuring that project funds are adequate to meet established Federal guidelines. I believe that inasmuch as these programs have proved to be exceedingly cost effective, that more Federal funds should be made available to not only expand successful projects, but to offset the effects of inflation on established grants, particularly in those areas of transportation and meals cost, over which projects have no controls or alternative resources.

As you stated, Senator Denton, in your own service as a freshman Senator, one person can make a difference, and it is proved daily as each individual Foster Grandparent or Senior Companion volunteer helps insure that the life of at least one other human being is improved. And the beauty of that is that in helping others, they themselves are rising above being indigent and being dependent on others.

Thank you.

Senator DENTON. Thank you very much, Mrs. Hall. Thank you, Mrs. Davis.

I would like to thank the whole panel again and say that we have not only been informed by what we learned today, but again, we have been inspired.

I look forward to an increase in the emphasis on these programs and I will be an advocate for that emphasis. I would like your help, Mr. Timmons, in finding ways to present the obvious, and this is a cold-blooded term, efficiency with which dollars devoted to these programs are expended as compared to some other dollars that may have sort of a neutral efficiency. These are leverage dollars;

these are dollars which enable goodwill to work on a very severe set of problems in our society.

And as we have more and more older people and the baby boom gets into the elderly population, we shouldn't have any problems with our youth. You ladies are giving such good examples that we will be able to take care of them all.

It has really been an experience for me today. I remind you that we might submit questions in writing and we would like to get responses if we can within 10 days.

[Responses by witnesses to questions asked by Senator Denton follows:]

STATE OF ALABAMA
DEPARTMENT OF PENSIONS AND SECURITY

64 North Union Street
Montgomery, Alabama 36130

Faye S. Baggiano
Commissioner

December 17, 1982

The Honorable Jeremiah A. Denton, Jr.
United States Senate
Committee on Labor and Human Resources
Washington, D.C. 20510

Dear Senator Denton:

This is in response to your December 14 letter regarding my testimony at the subcommittee hearing in Birmingham. You asked for more information on monthly reporting, the income disregard and volunteers. Here are my answers to your questions:

1. Unfortunately, we do not have specific dollar figures on the increase in administration brought about by monthly reporting. We are, however, collecting data that should help us determine more accurately the cost/benefit ratio. When this additional information becomes available, we will be glad to provide it.

In implementing the monthly reporting requirement in Alabama, we secured from the federal government a waiver allowing exclusion of a substantial portion of the Aid to Dependent Children caseload. You might want to review the justification we provided in seeking the waiver, as it relates closely to your question. The document is on file in Washington with the U.S. Department of Health and Human Services.

We believe that automation holds remarkable promise for ensuring program integrity while reducing administrative costs over time. Our food stamp program is now fully automated, and a project to automate our Aid to Dependent Children program will be completed in the next few months. The federal government pays 90 percent of the developmental cost of automation, which reduces errors and assists in fraud detection.

Governor Fob James, Chairman
State Board of Pensions and Security

Jean S. Brandt
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2. The most recent study on the income disregard was done by Dr. Tom Joe of the University of Chicago. He compared the benefits of Aid to Dependent Children, food stamps and Medicaid to the minimum wage. Based solely on economics, he concluded, the discontinuation of the disregard encourages marginal or part-time workers to quit work and go full time on welfare.

Ideally, in designing a new welfare system, it might be best not to include any incentives at all but to provide job opportunities and require work. As the system now exists, however, the disincentive takes away a dollar for every dollar that is earned.

3. The recruitment procedures of the Department of Pensions and Security make maximum use of networks--e.g., the Older American volunteer programs, Alabama's six voluntary action centers, denominational networks and service organizations. Networks enable us to make much more efficient use of staff time in recruiting and screening. When a special need cannot be met through existing networks, we recruit independently.

The Department of Pensions and Security works closely with the Alabama Office of Voluntary Citizen Participation. In fact, our agency took a leadership role in creation of the Office. Currently, the Department of Pensions and Security is represented on the Office's State Advisory Committee, its Alabama Assembly on Voluntarism and its Steering Committee on Private Sector Initiatives. Through networks and through the Office of Voluntary Citizen Participation, we work with established voluntary organizations.

I hope these comments are helpful to you in your continuing examination of the welfare system. You are to be commended for your efforts to improve services to the citizens of our state and nation.

Sincerely,

Faye S. Baggiano
Commissioner

FSB:jar

STATE OF ALABAMA

OFFICE OF
VOLUNTARY CITIZEN PARTICIPATION

MARK THORNHILL
Executive Director

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FOB JAMES
Governor

December 28, 1982

Senator Jeremiah Denton, Jr.
Committee on Labor and
Human Resources
Washington DC 20510

Dear Senator Denton:

First, let me thank you for the opportunity to testify at the hearing of your Subcommittee on Aging, Family and Human Services. Your demonstrated interest in the use of volunteers within our social service system is very encouraging. The proper use of volunteers can benefit all the clients who receive these services, the professionals whose activities are supplemented by the volunteer's aid, and the volunteer who satisfies his own need to give as well as be an integral part of the community.

Now, let me address the questions which you presented in your communication of December 14, 1982. You asked if we counsel or coordinate with groups, such as the United Way, who has long been associated with voluntary activity. Yes, one of our main links to the voluntary networks of Alabmaa are through such agencies as United Way, Red Cross, Salvation Army, Boy Scouts, and Girl Scouts. To give you a programmatic example of how we do this, I refer you to one of our major goals this year--"To establish an Alabama State Task Force on Private Sector Initiatives". The initial work on this was accomplished by a steering committee of seven individuals. Four of these volunteers are significant leaders within the United Way system of Alabama. Their names, titles and locations are as follows:

Mr. Joseph D. McInnes
Director of Personnel Administration
Blount, Incorporated
Montgomery, Alabama

Mr. Lynn Crouch
Vice-President of Personnel
Liberty National Life
Insurance Company
Birmingham, Alabama

25 Washington Avenue 4th Floor Montgomery, Alabama 36130 (205) 832-5443

Mr. James M. Hirs
President
American National Bank and
Trust Company of Mobile
Mobile, Alabama

Mr. Thomas J. Peterson
Division President
Super-Value Stores, Inc.
Anniston, Alabama

Your second question asks whether we intereact with private groups who are able to provide money for new projects. Our agency is six (6) months old, and at this time we are not aware of private funding for new initiatives. If such resources become known to us in the future, we will inform your committee directly.

Senator, thank you again for your support of volunteerism in Alabama.

Sincerely,

Mark Thornhill
Executive Director

MT:jhs

cc: Tom Holmes - Governor's Office
Jack Timmons - State ACTION Director

QUESTIONS FOR DAVID ORRELL

1. THE ELIGIBILITY REQUIREMENTS AND VERIFICATION PROCEDURES OF PROJECT O.T.H.E.R ARE STRINGENT, ACCORDING TO YOUR TESTIMONY. DO YOU FEEL THAT THESE STANDARDS ARE LOWER OR HIGHER THAN THOSE OF GOVERNMENT PROGRAMS?

2. WOULD GOVERNMENT ASSISTANCE PROGRAMS HAVE LESS INCIDENCE OF FRAUD IF VERIFICATION PROCEDURES SIMILAR TO THOSE OF PROJECT O.T.H.E.R WERE ENFORCED? COULD THE GOVERNMENT AFFORD THE TIME, STAFF, AND MONEY TO IMPLEMENT SIMILAR VERIFICATION PROCEDURES?

3. DO YOU FEEL THAT THE PROGRAM WOULD BE LESS SUCCESSFUL IF CASH PAYMENTS WERE MADE DIRECTLY TO THE CLIENT INSTEAD OF TO THE VENDOR, AS IS THE PRACTICE WITH PROJECT O.T.H.E.R?

4. ARE SIMILAR PROGRAMS IN EXISTENCE IN ALABAMA THROUGH UNITED WAY OR OTHER PRIVATE AGENCIES? ARE THERE PLANS TO EXPAND THIS PROGRAM?

5. DOES PROJECT O.T.H.E.R. OFFER CASH ASSISTANCE FOR PEOPLE WHO ARE RECEIVING UNEMPLOYMENT INSURANCE, OR MUST THEY HAVE EXHAUSTED THOSE BENEFITS BEFORE RECEIVING ASSISTANCE FROM YOUR PROGRAM?

6. DOES PROJECT O.T.H.E.R REQUIRE THAT BENEFICIARIES CONTINUE TO SEARCH FOR JOBS WHILE RECEIVING PAYMENTS? ARE THER ANY JOB SEARCH REPORTING REQUIREMENTS ATTACHED TO THE RECEIPT OF ASSISTANCE FROM THIS PROGRAM?

COMMUNITY CHEST—UNITED WAY
Jefferson-Shelby-Walker Counties
3600 - 9th Avenue South
Birmingham, Alabama 35222
(205) 251-5131

December 20, 1982

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#United Way of America

The Honorable Jeremiah Denton
United States Senate
Committee on Labor and Human Resources
Washington, D.C. 20510

Dear Senator Denton:

In response to your letter of December 14, we are happy to respond as follows:

Question one in your letter refers to the eligibility requirements of Project O.T.H.E.R. These eligibility requirements are more stringent than government, however, they are more stringent primarily because of limited resources rather than because we feel they should not have more.

Question two dealing with fraud in government welfare programs asks if government could afford the time, staff, and money to implement similar verification procedures such as in Project O.T.H.E.R. I doubt seriously government could afford such an investment. My impression is the cost/benefit ratio of the pursuit of fraud is probably not there.

Question three asks would the program be less successful if cash payments were made directly to the client instead of to the vendor. Yes.

Question four asks if there are similar programs and are there plans to expand our program. To my personal knowledge, there are no similar programs in Alabama through private agencies, but this does not say that there could not be. We do have plans to expand our program here in Birmingham. Designations in the campaign just completed have enabled us to increase our budget from $675,000 to more than $1,000,000. We are still trying to get city, county, and state funds into this program.

Question five asks if our program offers cash assistance to people receiving unemployment insurance. Project O.T.H.E.R. does not offer assistance to persons currently receiving unemployment benefits. This is not to say they do not need such assistance. Because of our limited funds, we are helping only those who have exhaused their benefits.

Question six asks if Project O.T.H.E.R. requires beneficiaries to continue searching for jobs while receiving payments. No such written statement of policy exists. We do assume, however, that these individuals are

seeking employment. The very nature of the program (one time assistance) encourages people to continue to search for work. In probably ten percent of the cases, we may help them for two months. In one percent of the cases, we may even help them for three months.

Senator Denton, you may be aware Governor George Wallace has appointed a state-wide task force to look at the long range ramifications of unemployment in Alabama. This task force is under the direction of Dick Hill at UAB. He has also asked Chris Doss, chairman of our county commission, to chair the Jefferson County task force charged with looking into emergency assistance for the newly unemployed. I have been invited to serve on the latter task force, and we completed hearings last week. Project O.T.H.E.R. has been presented to the task force as a demonstration. United Way hopes the task force will not "reinvent the wheel" but build upon what has already been in place since August 1.

We appreciate your continuing interest in these problems. It is clear from our hearings, those who have lived on the fringe of economic disaster all of their lives are concerned the task force is emphasizing the needs of the newly unemployed and ignoring the plight of the "old poor." Our feeling at the moment is the "old poor" have been benefiting from governmental programs such as public housing, subsidized public transportation, ADC, Medicare, Medicaid, unearned tax rebates, etc. The newly unemployed, once their unemployment compensation is exhausted, have no governmental programs to which they may turn, with the exception of food stamps, and many cannot qualify due to a variety of eligibility requirements around property and income.

The problem for Birmingham in particular and Alabama in general is the reality that heavy industry will never return to the positon it once held. Our state and nation is moving toward service and high tech industries. This means eight out of ten people who have been recently thrown out of work will never be able to return to the same kind of work.

If I may be of further assistance to you in this matter, you have but to ask.

Sincerely,

David G. Orrell
Executive Director

DGO:eal

December 14, 1982

Mr. James H. Beckham
Chairman
Birmingham Area Private
Industry Council
720 North 19th Street
Birmingham, Alabama 35203

Dear Mr. Beckham:

Thank you for taking the time to discuss the Manpower Consortium and the merits of the New Job Training Partnership Act at the hearing of the Subcommittee on Aging, Family and Human Services on "Voluntarism in America: Public and Private Anti-Poverty Initiatives." Your testimony will be very helpful to the Subcommittee as it continues to study voluntary efforts to help those in need.

I am sorry that time constraints did not permit me to ask questions during the hearing. I would appreciate your providing answers to the following questions for inclusion in the printed transcript. The hearing record will be held open for ten days so that you may prepare your answers.

1. Could you describe your Job Shop in more detail? How does a participant go about finding a job?

2. How does the private industry council go about identifying the employment needs in the community?

I look forward to seeing your responses to those questions, as well as to any other thoughts you may have.

My colleagues and I appreciate the time and effort you put in to give the Subcommittee the benefit of your views and experience. I hope that we will have the opportunity to call upon you again should the need arise.

Sincerely,

JEREMIAH DENTON
United States Senator

JAD:ja

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INDUSTRIAL RELATIONS

December 21, 1982

The Honorable Jeremiah Denton
United States Senate
Committee on Labor and Human Resources
Washington, D.C. 20510

Dear Senator Denton:

I appreciate your inviting me to testify at the hearing of the Subcommittee on Aging, Family and Human Services on "Voluntarism in America: Public and Private Anti-Poverty Initiatives." Enclosed are the answers to the questions which you forwarded to me in your correspondence of December 14, 1982.

If I may be of further assistance, please feel free to call upon me again.

Sincerely yours,

James H. Beckham

James H. Beckham, Chairman
Birmingham Area Private
Industry Council

JHB/BC/san

Enclosure

Question 1.

The Job Shop is an intensive, three-week program which teaches participants Job search techniques. Two instructors are assigned to each class of approximately twenty-five participants. The Job Shop operates three concurrent classes. The program is designed to assist those individuals who have recently completed a CETA/JTPA training activity as well as other eligible individuals who possess a marketable skill.

The Job Shop philosophy is that each participant is responsible for finding his or her own job. The Job Shop assists participants by teaching them how to "sell" themselves and how to find a job. In short, participants develop their own job leads.

During the first week of instruction, the strengths and weaknesses of each participant are analyzed. Participants are taught how to dress and how to participate in an interview. They are also taught how to prepare a resume and how to correctly fill out an application form. Most importantly, participants are assisted in developing an occupational goal and then are assisted in developing job leads only with employers which have a need for their particular job skill.

During the second and third weeks, participants spend their time actively seeking employment. They are assigned a daily quota of employer contacts and employer interviews which they must meet. The instructor and fellow participants provide the participant with important moral support and encouragement during the job seeking phase.

Over 65% of the participants in a class will find a job before the class concludes. For those who do not find employment, the Job Shop will continue to provide them with individual assistance for up to ninety days following the conclusion of the class.

Question 2.

Responsibility for determining local employment needs rests with our PIC Occupational Research Committee.

The Occupational Research Committee, the Alabama State Employment Service, and PIC staff work in concert on this highly important process. Initially, PIC staff evaluate the relevant base data regarding the local labor market provided by the Employment Service. The results of this evaluation are forwarded to the Occupational Research Committee. Committee members analyze this information in light of their own individual knowledge of local business needs and these recommendations are forwarded to the entire PIC for further input and refinement. As a result of this process, a prioritized list of they types of skills training needed to meet local employment needs is developed and used as a guide in the preparation of our Request For Proposals (RFP) for a particular fiscal year.

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TOPS Youth Program
Marsha Ham

December 17, 1982

The Honorable Jeremiah Denton
United States Senate
5327 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Denton:

Thank you for inviting us to testify about the TOPS program at the recent hearing held by the Subcommittee on Aging, Family and Human Services. We are very proud of the program and appreciate the opportunity to share what we have learned.

TOPS is an example of what can be done when the public and private sectors work together. Our responses to your questions highlight the strength and unique character of the program.

Recently I spoke with Ruby Martin of Martin & Rosi, Inc. Mrs. Martin indicated that on the behalf of the Edna McConnell Clark Foundation she was pursuing the possibility of establishing a similar program in Mobile. Nabors Cabaniss and Juanita Donahey have been assisting her in contacting interested parties in Mobile. If we can be of assistance, please call upon us.

Sincerely,

Marsha Ham

Marsha Ham
Project Director

MH/hm

Response to
Senator Denton's Followup Questions

1. What makes the TOPS program different from other federally funded youth programs?

   a. It is operated by a business backed organization which gives the program credibility among the Birmingham businesspeople. Many employers are hesitant to participate in a "government youth program."

   b. TOPS is not a "jobs" program as most other youth programs are. It is an educational program with a job component. In the classroom students perfect communication and problem solving skills vital to success in the business world. Their jobs provide the students with the opportunity to practice these skills in an actual work situation.

   c. It is unique because of the linkages established between the business community and the educational community on both the secondary and postsecondary educational levels. Employers seem to like having direct input into the educational system which is preparing tomorrow's employees.

   d. Students receive school credit toward graduation for their participation. Students are paid no stipends for their classroom or on-the-job training. Employers pay the students the minimum wage for the time they work on their jobs.

   e. Because TOPS is an accredited cooperative (work/study) program sanctioned by the Birmingham Board of Education, employers can receive the targeted jobs tax credit on wages of economically disadvantaged TOPS' students.

2. How is TOPS different from existing vocational cooperative (work/study) programs?

   a. BAAB seeks to develop job placements for TOPS students which are normally not open to teenagers. BAAB avoids "make work" job placements and businesses where large numbers of teenagers work, such as fast food restaurants. TOPS job placements give students the opportunity to see inside businesses which, in many cases, they are not even aware exist.

b. In-class instruction emphasizes communication and problem-solving skills instead of technical skills such as typing. Students are helped to see the relationship between good academic skills (such as English and math skills) and success on the job - any job, beginning or career level.

3. How important is the availability of private funds to the program?

Private funds are vital to the success of TOPS. There are so many restrictions and so much red tape involved in the use of federal funds that they stifle a creative program such as ours. Private funds allow program flexibility which would otherwise be impossible. BAAB is able to operate in the same business like manner as a private company. These funds also allow BAAB to include in the program low income students who are not CETA eligible. There are a large number of these students, and they also need the training TOPS offers. Additionally, private funds allow BAAB to provide enrichment activities such as field trips and other special activities which could not be done with federal funds.

Without private funds, the TOPS program would lose its uniqueness.

Senator DENTON. I would like to thank all the people who came today for their interest.

This hearing stands adjourned.

[Whereupon, the proceedings were adjourned.]

○